

# MEMBERS' DAY

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## HEARING

BEFORE THE

### COMMITTEE ON THE BUDGET

### HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

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HEARING HELD IN WASHINGTON, DC, FEBRUARY 28, 2008

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**Serial No. 110-34**

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Printed for the use of the Committee on the Budget



Available on the Internet:  
*<http://www.gpoaccess.gov/congress/house/budget/index.html>*

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U.S. GOVERNMENT PRINTING OFFICE

41-122 PDF

WASHINGTON : 2008

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## MEMBERS' DAY

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THURSDAY, FEBRUARY 28, 2008

HOUSE OF REPRESENTATIVES,  
COMMITTEE ON THE BUDGET,  
*Washington, DC.*

The Committee met, pursuant to call, at 10:19 a.m., in room 210, Cannon House Office Building, Hon. John M. Spratt, Jr. [Chairman of the Committee] presiding.

Present: Representatives Spratt, Berry, Etheridge, Hooley, and Moore.

Chairman SPRATT. Welcome to the annual Members' Day which is a chance for members of the House to come before the Budget Committee to testify about priorities that are of particular interest to them.

This is always a very informative and very interesting day and also a very long day as we get to hear testimony from members that underscores the broad spectrum of concerns that the people's representatives bring to D.C.

As we craft our annual budget resolution, and it is in progress as we talk, as we meet, we welcome the opportunity to get input from other members of the House.

Just a word about the ground rules. Every member will have five minutes to present their remarks. Their full printed remarks if submitted for the record will be incorporated in their totality in the record. But we would ask you to keep your oral testimony to five minutes. We will then leave up to five minutes for any questions from Budget Committee members.

And I was going to say next that I will turn first to the Ranking Member before proceeding, but it appears that no one on the other side is here at this point in time. And time is of the essence in light of the fact we may be getting out at midday today, so let us proceed with Mr. Chris Murphy.

Mr. Murphy, we are glad to have you. The floor is yours. Your five minutes of recognition and your printed statement will be made part of the record.

### STATEMENT OF HON. CHRISTOPHER S. MURPHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. MURPHY. Thank you very much, Mr. Chairman, members of the Committee. I appreciate the opportunity to testify this morning.

This is my first opportunity as a new member of Congress to appear before the Budget Committee and I am deeply honored to

have the chance to share with you just a few thoughts on some of the priorities that I know you will wrestle with over the coming weeks and months.

Today I would like to talk about a few programs and I will start with one very near and dear to our hearts in northwestern Connecticut. And that is programming funding, land and water conservation.

The Land and Water Conservation Fund was created by President Kennedy to provide federal funds to help states leverage local and municipal resources to ensure that open spaces can be preserved and cared for for generations to come.

The LWCF helps manage our parks and our federal lands while providing funds to states and individuals who want to leverage those funds to ensure smart and sensible promotion of the protection of green spaces.

The President's budget would trample President Kennedy's vision, delivering a near death blow of a 74 percent cut to the LWCF, a reduction of \$110 million and one of the lowest levels of funding in the program's near 44-year history.

LWCF is authorized by Congress to receive up to \$900 million a year and the President delivered a strong pledge in 2001 to fully fund it, but his budget this year reflects another reality, a 91 percent cut from 2001 funding levels.

I would also urge the Committee to reconsider the President's proposed \$38 million cut to the U.S. Geological Survey which promotes the sound management of water, biological energy, and mineral resources. USGS is the national leader in providing studies and mapping efforts to assess the environmental impact of pollutants and development on vulnerable waterways and natural ecosystems. In the northwestern portion of Connecticut, we have greatly relied on the USGS to help us plan and map many of our efforts to protect our environment.

The \$10.9 million proposed cut in the USGS's National Water Quality Assessment Program would severely impact nonprofits and municipalities across the country as well in Connecticut working to extract maximum value from these federal scientific resources.

Equal as important to me is our commitment to a sound federal juvenile delinquency prevention program. The President's budget for fiscal year 2009 proposes to eliminate many of these funding sources that have helped municipalities and states cope with the problems of juvenile delinquency.

The President would create a single new Child Safety Juvenile Justice Block Grant. This Block Grant would be funded at a level that is almost 50 percent lower than the total fiscal year 2008 funding for the programs that were eliminated, representing some \$100 million in funding.

The Congress should reject this proposed cut in block granting of our juvenile justice programming funding and instead strength and increase funding for federal juvenile justice and delinquency prevention programs, including Title V Prevention Grants, the Juvenile Accountability Block Grant, and Title II State Formula Grants at a minimum, and at a minimum, restoring funding to the fiscal year 2002 appropriated levels.

Investing in these proven prevention and intervention programs will make our communities safer and will inevitably save money down the road by making sure that children have the access to the preventative programs that will save our system money in the future.

I would also like to express my strong support for the full and fair funding of the Section 811 Supportive Housing Program for low-income persons with disabilities. Section 811 provides affordable supportive housing so that the most disadvantaged members of our society struggling with severe mental and physical disabilities can lead productive lives.

The programs help people with the basic skills and tasks of daily living, affording them the dignity and self-respect they are too often denied.

The President's budget again slashes these programs, targeting 811 for a 32 percent cut from \$237 million to \$160 million, coming only a year after the President attempted to zero out all new funding for nonprofit developers in the 811 Program.

Section 811 is already straining under the weight of great new demand for new units and supportive housing. And such deep cuts would take two steps back even further from the dozen that the President has already asked the program to endure.

Mr. Chairman, I come from the Connecticut State Legislature in which I was able to Chair our Appropriations Committee on Juvenile Justice, where I chaired the Public Health Committee for a number of years, and I can tell you that these cuts not only are damaging to those nonprofits and those community providers that try to provide the juvenile justice programming and supportive mental health housing, but also to state governments that, as you know, are laboring under the increased burden handed them to pick up the slack that has been visited upon them by a number of years of neglect.

I am so grateful that we are able as new members to serve under your leadership and your guidance. I was proud to vote for the budget we passed at the end of last year which begins to invest in many of these very important programs while still maintaining a sound commitment to fiscal responsibility.

I appreciate the chance to testify and I hope the Committee will look favorably upon these recommendations.

[The prepared statement of Christopher Murphy follows:]

PREPARED STATEMENT OF HON. CHRISTOPHER S. MURPHY, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CONNECTICUT

Mr. Chairman, thank you for allowing me to address this esteemed body today. The President's FY 2009 budget represents a \$20 billion reduction in some of our nation's most vital domestic programs, all while relying on some very suspect math; the budget states a deliberately misleading assessment of the war in Iraq's actual anticipated costs and incorporates several nonexistent funding streams, including expected revenue from drilling in the Alaska National Wildlife Refuge. I'd like to speak to some of these programs important in my district that have felt some of the sharpest sting of the President's budget pen today.

The Land and Water Conservation Fund was created by President Kennedy to provide federal funds to help states leverage local and municipal resources to ensure that open spaces could be preserved and cared for for future generations. LWCF helps manage our parks and federal lands while providing funds to states and individuals who want to leverage their funds to ensure the smart, sensible protection of green spaces.

The President's budget would trample President Kennedy's vision, delivering a near-deathblow 74% cut to LWCF, a reduction of \$110 million dollars and one of the lowest funding levels in the program's proud 44-year history. LWCF is authorized by Congress to receive up to \$900 million a year, and the President delivered a strong pledge in 2001 to fully fund LWCF. His budget this year reflects another reality: a 91% funding cut from 2001 funding levels of \$411 million.

I would also urge the committee to reconsider the President's proposed \$38 million cut to the U.S. Geological Survey which promotes the sound management of water, biological, energy, and mineral resources. USGS is the national leader in providing studies and mapping efforts to assess the environmental impact of pollutants and development on vulnerable waterways and natural ecosystems. In practice, this means land trusts, small towns, and conservation groups can employ federal research to assist in development plans, conservation prioritization and pollution remediation—science that would be completely unavailable to them without USGS' expertise and counsel. USGS' work has been vital to helping communities in my district gather important data about the Pomperaug River and Farmington River watersheds, among other projects. The \$10.9 proposed cut in USGS's National Water-Quality Assessment (NAWQA) initiative would severely impact nonprofits and municipalities across the country working to extract maximum value from these federal scientific resources.

Equally as important to me, federal juvenile delinquency prevention and intervention programs support a variety of state and local efforts help ensure that troubled kids don't become mired in the vicious cycle of juvenile incarceration. Programs that connect kids with caring adults and constructive activities during the "prime time for juvenile crime" of 3-6 PM are among our most powerful tools for preventing crime. The youths whose families received assistance from the Functional Family Therapy (FFT) were half as likely to be re-arrested as the youths whose families did not receive the family therapy. By reducing recidivism among juvenile offenders, FFT saves the public roughly \$32,000 per youth treated. These programs work, and they save valuable tax dollars in effected communities.

Unfortunately, the Administration's FY09 budget proposes to eliminate these funding sources and create a single, new "Child Safety and Juvenile Justice" block grant. This block grant would be funded at a level that is almost 50% lower than the total FY08 funding for the programs eliminated, representing some \$100 million. The Congress should reject the proposed cuts and block granting and instead strengthen and increase funding for federal juvenile justice and delinquency prevention programs, including Title V prevention grants, the Juvenile Accountability Block Grant, and Title II State Formula Grants—at a minimum, restoring funding to the FY02 appropriated levels. Investing in these proven prevention and intervention programs will make our communities safer and save money down the road.

I also wish to express my strong support for full and fair funding of Section 811 Supportive Housing for low-income persons with disabilities. Section 811 provides affordable supportive housing so that the most disadvantaged members of our society struggling with severe mental and physical disabilities can lead productive lives. These programs help people with the basic skills and tasks of daily living, affording them the dignity and self-respect they are too often denied.

The President's budget further slashes this program, targeting Section 811 for a 32% cut from \$237 million to \$160 million, coming only a year after the President attempted to zero-out all new funding for nonprofit developers during the FY2008 cycle. Section 811 is already straining under the weight of demand for new units, and such deep cuts would take two steps back even further from the dozen the President has already asked the program to endure. I have introduced legislation to reauthorize and streamline this vital program, and I hope that we here in Congress can make strong stand against the President's proposed budget cuts to Section 811 housing. We cannot and should not allow these individuals to fall deeper into the cracks of the federal bureaucracy when they deserve a fair shot at their part of the American dream.

While the programs I just spoke about probably won't be the ones you see splashed across the newspapers and television sets across America, they are vitally important to the Americans that depend on them to preserve their communities, keep their kids safe, and find a place to call home. I encourage you to do everything in your power to ensure that our budget is one that is both fiscally and morally responsible. Thank you, Mr. Chairman for your consideration of these important issues before the committee today.

Chairman SPRATT. Mr. Murphy, thank you for your excellent testimony and for exposing just a few of the really deep and eviscerating cuts in this budget.



You have selected a few that are of interest to Connecticut, but that is only symptomatic of the budget as a whole, cuts that you would not believe in programs that we have seen work and cannot be convinced to the contrary. You have seen them in Connecticut. I have seen them in South Carolina. And I am sure Mr. Berry has seen them in Arkansas. You have only mentioned a few, but they represent the whole thrust of this budget.

And one of our first priorities in putting together an alternative budget resolution, our resolution, will be to restore the cuts the President made, the crippling cuts in the programs you just mentioned.

Let me now recognize Mr. Berry and see if he has any questions he would like to put.

Mr. BERRY. No.

Chairman SPRATT. Thank you very much for coming. Your statement will be made part of the record and we really appreciate your participation.

Mr. MURPHY. Thank you very much, Mr. Chairman.

Chairman SPRATT. Thank you.

Ms. Castor, come forward. Oh, you are forward. I beg your pardon. I was putting you in the middle of the table. Welcome and thank you for coming.

And I am not sure if you were here when I explained the ground rules, but simply put, you have got five minutes to read and present your statement. The full statement will be made part of the record. Then we will save a little time for Q and A afterwards. But the floor is yours and thank you for coming. We are looking forward to your testimony.

#### **STATEMENT OF HON. KATHY CASTOR, REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA**

Ms. CASTOR. Thank you, Mr. Chairman, very much for the opportunity to be here this morning and to testify.

I will not take my full five minutes, but thank you very much for the opportunity to be here and submit my full statement for the record along with some other materials.

I am going to focus my remarks on the Medicaid shortfall facing numerous states across the country, especially the State of Florida.

And what I am also going to submit for the record are the position papers of the National Governors Association that are highlighting the shortfall in federal Medicaid funding as a serious economic problem facing families across this country.

Oftentimes here in Washington, I know folks talk about programs. And when we are talking about Medicaid, I think it is very important to remind everyone we are talking about pregnant women, children from poor families, foster children, and really the folks that are hit the hardest when the economy goes south.

Last year, over 20 states faced a shortfall in the federal Medicaid match. In the upcoming year, it is projected that about 17 to 20 states also will face a serious downturn in the federal monies coming to match their Medicaid needs for pregnant women and poor children and seniors in nursing homes.

But I wanted to highlight one problem that is really hitting the families in Florida very hard and it happened because the federal

Medicaid formula relies on the per capita income of a few years ago. So there is a lag.

What happened in Florida in 2004, we were hit by four to five hurricanes, Charley, Wilma. There were so many, I cannot remember all their famous names. Charley, Francis, Ivan, and Gene in 2004, Katrina, Rita, and Wilma in 2005.

Now, Mr. Chairman, I know South Carolinians, they also understand hurricanes, but never has a state been hit by so many powerful storms.

What that did to our per capita income is that in the subsequent years, it went up because we had the rebuilding and repair period. So now we get hit again because our per capita income went up. We will receive less Medicaid match money from the Federal Government.

So this is a problem facing all the states, but Florida now is getting socked with a double whammy just at the wrong time, at the time that the State of Florida, it is commonly known, is in a recession where arguments can be made that maybe some other states are treading water.

I wanted to highlight that to you. The economic hit to the State of Florida over the two-year period, \$500 million, \$500 million.

So I encourage you as you build this budget to consider the seniors, the pregnant women, the children from poor families, kids in foster care. In an economic downturn, we cannot hit them again. We cannot allow them in the toughest times to be left without a life line.

So we are counting on the Budget Committee to build in some allowance for a Medicaid match fix. In the last economic downturn, \$10 billion was provided to the states as a life line. It has been done for the State of Louisiana as a result of Hurricane Katrina as well.

So thank you very much for the opportunity to raise this issue before the Committee today.

[The prepared statement of Kathy Castor follows:]

PREPARED STATEMENT OF HON. KATHY CASTOR, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF FLORIDA

Many states are facing severe funding shortfalls in Medicaid funding. In FY '08 20 states lost Medicaid funding from 2007 and 17 states are projected to have FMAP decreases in FY '09.

States like Florida, Texas, Mississippi, Oklahoma, Nevada, Louisiana and others are in danger of losing millions upon millions in federal Medicaid dollars. Yet, Medicaid enrollment is expected to increase.

The current FMAP formula is outdated and does not accurately reflect current income levels.

The inaccuracies in the current FMAP formula for many states increases the difficulty that states are already having providing needed funding for Medicaid as a result of our nation's dire economic state.

In the 2003 economic stimulus package, Congress approved \$10 billion to temporarily enhance FMAP percentages for every state.

A similar increase today could both prevent scheduled decreases and temporarily increase FMAP allocations for every state. We need immediate economic relief that will alleviate the strain on state Medicaid budgets and ensure that our nation's residents with the highest needs do not go without critical health services.

Families and businesses have already been hard hit by the economic downturn and an increase in Medicaid spent on vital health services is the most beneficial and effective way to strengthen our economy.

For millions of families, Medicaid is the only form of health coverage available. In my home state of Florida, Medicaid serves approximately 2.2 million residents, over half of whom are children.

Struggling and hardworking families depend on this support for health care. An increase in Medicaid funding will provide families with critically needed medical care.

Medicaid is a lifeline for many pregnant women, families who are transitioning from welfare to work, young children and seniors who qualify for Supplemental Security Income (SSI).

My home state of Florida is not alone in severe projected Medicaid shortfalls, but a unique anomaly is exacerbating our problems in Florida.

Florida was hit by seven hurricanes in two years: Charley, Frances, Ivan and Jeanne in 2004 and Katrina, Rita and Wilma in 2005.

As a result of these hurricanes, per capita income levels in Florida temporarily surged upward due to a repair and rebuilding period. The anomaly caused the FMAP formula in Florida to skew so it does not accurately attend to the state's need.

This anomaly will leave Florida's neediest residents, without vital health services if Florida's FMAP allocation is not corrected.

Cuts in Medicaid funding from Florida's skewed numbers will adversely impact my neighbors in the Tampa Bay area, residents in the state of Florida and others living in states which face similar cuts.

In Florida, we are facing a \$500 million hit in Medicaid funding, which will have a devastating effect on hardworking families.

It is estimated that Florida will suffer a \$220 million hit in FY '09 alone.

FMAP must be reformulated to reflect every states most recent data.

Millions of families who depend on Medicaid for health care will be forced to go without if these cuts occur.

Congress must act to prevent this from happening. We must act to protect our nation's neediest citizens—seniors, pregnant women and children.

We must work to provide protection for the folks who need it the most.

We must correct the FMAP allocation and enhance Medicaid funding.

Chairman SPRATT. Thank you very much indeed for your testimony. It follows on the testimony from Mr. Murphy. And I noted that he was simply selecting from this huge budget a few particular cuts that had particular relevance to Connecticut.

What you will find is that program after program, particularly in the arena of community and regional development, are being cut and cut deeply and the intergovernmental programs being cut as well.

The Medicaid Program under the Bush budget is cut \$82 billion over ten years. The Medicare Program cut is \$556 billion over ten years. With the elderly population in Florida that you have, that is like another series of hurricanes coming through.

Ms. CASTOR. That is right.

Chairman SPRATT. So it is of great concern to us. A large part of our effort in putting the budget back together again to a form acceptable to our party will be to restore those cuts and to bring the budget back to where it should have been if it had simply been on a current services basis.

Mr. Berry, do you have any questions you would like to ask her?

Thank you, very much for your testimony. We appreciate you coming.

Ms. CASTOR. Thank you, Mr. Chairman. I appreciate your leadership very much.

Thank you, Mr. Berry.

Chairman SPRATT. Now, Mrs. Giffords, you have five minutes to make a presentation of your statement. The printed statement will be made part of the record and we will have a little Q and A after-

wards. But thank you for coming. We look forward to your testimony.

**STATEMENT OF HON. GABRIELLE GIFFORDS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ARIZONA**

Ms. GIFFORDS. Thank you, Chairman Spratt, for hearing from us today. And thank you, Congressman Berry, as well. I appreciate the opportunity to be here.

I would like to take a few moments to focus the Committee on what is going on along the U.S. Mexico border which seems very far from Washington. I hail from Tucson, a community that is directly impacted by the effects of illegal immigration. My district includes about a 114 mile section of the 2,000 mile U.S. Mexico border.

As you can imagine, Arizona has faced unimaginable consequences of the immigration crisis. Last year, 387,000 illegal immigrants were apprehended in Arizona. That is approximately 1,000 illegal immigrants every single day.

It is really hard to see what that impact looks like until you go down there and you speak with the local law enforcement agencies because many times, in many cases, these are the folks that are directly handling what is primarily the Federal Government's responsibility.

The Tucson sector which I represent is the poorest of all of the sectors along the 2,000 miles. We are responsible for apprehending about 48 percent of all the illegal drugs and narcotics that are coming into the border area as well.

Tucson has now become the major clearinghouse for not just marijuana but now methamphetamines. So, again, the impacts in terms of local crime, murder rates, all of that drug trafficking does not just pass through Arizona, it stays there and has direct impacts as well.

Securing our nation's border, I believe, is the Federal Government's responsibility and obviously it falls within the jurisdiction of the Federal Government.

Under federal law, the government has two options. First of all, it can handle directly undocumented criminals. It can take them into federal custody or it can compensate the state and local jurisdictions for doing so.

Where the Federal Government relies on local law enforcement, it is supposed to reimburse our local municipalities in a program called SCAAP, State Criminal Alien Assistance Program.

Now, as you know, the SCAAP funding was first created in 1994, but this program has been consistently under-funded. Therefore, the cost for incarcerating folks that are here illegally are borne directly by our counties. Some of these counties like mine in southern Arizona are among the poorest in the nation. They are already operating with slim budgets and slim staffing.

Communities throughout southern Arizona are now facing some extraordinary costs as it relates to the incarceration of illegal immigrants. Cochise County, a county that is well known for Tombstone, Arizona, for Douglas, Arizona, Bisbee, some really historic, interesting parts of the country, submitted a bill for \$234,501 for reimbursable expenses last year and only received \$98,000 from the

Federal Government. This \$98,000 reflects just a portion of the cost of what they actually go through.

The Pima County Jail, Pima County where Tucson is located, is used to detain 200 illegal immigrants who have been arrested on felony charges, including murder, rape, and robbery. According to Sheriff Dupnik, the Sheriff of Pima County, these illegal immigrants take up about ten percent of the cell space in our counties. The cost to the Sheriff's Department is \$13,000 each day for incarceration alone. This amounts to about \$390,000 per month, over \$4.7 million per year. The reimbursement that Sheriff Dupnik reports from current SCAAP funding is less than three percent of the total cost.

Some of these prisoners also have additional health problems like tuberculosis, other diseases that are infectious as well. So you can see just the amount of medical funding that goes into the detention.

This week, Arizona's Governor, Janet Napolitano, came to Capitol Hill to talk about funding for SCAAP and realizing that the current authorization is at \$950 million. In her testimony before the Senate Finance Committee, she noted that the Federal Government now owes Arizona for lack of prior funding over \$419 million.

So I think this is outrageous that we are expecting our state and local municipalities to do the work of federal law enforcement, but we are not paying them. And as we know, those local sheriffs, those local municipalities are the folks that are responding, the first responders to our local citizens when they have problems as well.

On February 8th, I addressed a letter signed by 47 members of the House to Chairman Spratt and Ranking Member Ryan highlighting the President's failure to include any funding for SCAAP in the fiscal year 2009 budget proposal.

Frankly, Mr. Chairman, I think that we can do better. We know that we are facing an illegal immigration crisis in our country. We are under-funding SCAAP. The President is overburdening our state and our local governments.

So I urge the Committee to reject the President's cuts to SCAAP and ask you that you prioritize America's safety when it comes to the hundreds of thousands of people that are coming into our borders illegally.

The majority are coming for work and economic reasons. We understand that. But there is a criminal element and we know that because we run background checks and we know again the murder rate, the drug trafficking. This is a real, real life scenario for people in my district in southern Arizona and across the U.S. Mexico border. And, of course, the ramifications continue to flow across the nation.

So I appreciate this opportunity to come and testify in front of the Committee today. I ask you to support the SCAAP funding, to increase the SCAAP funding because it really is the difference between life and death for people in my district and across the country.

[The prepared statement of Gabrielle Giffords follows:]

PREPARED STATEMENT OF HON. GABRIELLE GIFFORDS, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF ARIZONA

Chairman Spratt and Ranking Member Ryan, thank you for allowing me to testify before the Budget Committee today.

I would like to take this opportunity to focus the Committee's attention on an issue vital to Southern Arizona—the impact of our nation's immigration crisis on state, county, and local law enforcement agencies. My district includes 114 miles of the US-Mexico border.

As you know, Arizona faces unimaginable immigration and border security challenges. Last year, 387 thousand illegal immigrants were apprehended in Arizona. An average of 1,000 illegal immigrants per day were arrested and deported from Tucson.

The Tucson Sector, which includes my district, is the most porous section of the entire U.S.-Mexico Border. More than 48% of the nation's drug traffic enters our country through Southern Arizona.

Securing our nation's borders is the Federal Government's exclusive jurisdiction. Under federal law, the Federal Government has two options for handing that responsibility in relation to undocumented criminals. It can take them into federal custody OR it can compensate state and local jurisdictions.

Where the Federal Government relies on local law enforcement, it is supposed to reimburse states and localities for the costs related to the incarceration of illegal immigrants who commit crimes in our communities. The State Criminal Alien Assistance Program, or SCAAP was created by the Violent Crime Control and Law Enforcement Act of 1994 as the method for those reimbursements. As you know, SCAAP funding flows through the Justice Department's Office of Justice Programs to local law enforcement.

However, SCAAP is consistently under-funded. Because of the limited federal contributions to the program, these incarceration costs are borne by our counties. Some of those counties are among the poorest in the nation. They are already operating with slim budgets and staffing. As a result, appropriate federal funding is even more critical.

Communities through Southern Arizona face extraordinary costs from incarcerating undocumented criminals each year. Cochise County in my district submitted \$234,501 in reimbursable expenses last year and only received less than \$98,000. That \$98,000 reflects only a fraction of the costs they actually incurred for doing federal law enforcement's job.

Every day the Pima County Jail is used to detain 200 illegal immigrants who have been arrested on felony charges including murder, rape and robbery. According to Sheriff Dupnik, these illegal immigrants take up 10% of the cell space in our county jail there. The cost to the Sheriff's Department is \$13,000 per day for incarceration alone. This amounts to approximately \$390,000 per month and \$4,745,000 per year.

The reimbursement Sheriff Dupnik reports from current SCAAP funding is less than 3% of the total cost incurred. Some of these prisoners have serious health problems including infectious diseases such as TB. The cost of medical treatment is an additional burden beyond the cost of detention.

Just this week, Arizona's Governor, Janet Napolitano, testified on Capitol Hill about the need for fully funding the SCAAP program at the authorized \$950 million level. Our Governor has submitted regular bills to the Justice Department that have not been fully paid. In her testimony to the Senate Finance Committee, she noted that the Federal Government now owes Arizona at least \$419 million.

There is an outrageously clear under-valuing of the critical contributions of our state, county and local law enforcement agencies in capturing and detaining criminals who are in our nation illegally. They are performing duties assigned to the Federal Government, which has failed to do its job. To make matters worse, in fiscal year 2006, over \$66 million dollars were rescinded from SCAAP. Like Governor Napolitano, I was shocked to learn of this rescission and agree that further cuts to this already-underfunded program are completely unacceptable.

With continued under-funding of this assistance program, states and localities will be financially overwhelmed by these costs that are the Federal Government's responsibility.

As you know, only February 8, 2008 I addressed a letter signed by 47 of my House colleagues to Chairman Spratt and Ranking Member Ryan. That letter highlighted the President's failure to include ANY funding for SCAAP in his Fiscal Year 2009 Budget proposal.

We are already facing an immigration crisis in America. By under-funding SCAAP, the President is over-burdening our state and local governments. He is hampering our states' ability to protect our communities and uphold federal law.

SCAAP funding is particularly important to communities like Bisbee and Douglas—those along the nearly 2,000 miles of southern border. States and local governments along our border incur greater costs than other jurisdictions.

Over the past several years, those communities' costs have exceeded SCAAP reimbursements by hundreds of millions of dollars.

I urge you to reject the President's cuts to SCAAP and ask that you prioritize the safety of our American communities in the Budget Resolution you mark up next week. We must take the appropriate steps to ensure that SCAAP funding, especially to Border States, remains a federal priority.

Arizona, like many states, is facing budget shortfalls. Every dollar reduction in SCAAP reimbursement means a dollar less that Arizona can spend on essential public safety services.

I appreciate the opportunity to testify before you today. Please support increased SCAAP funding for our state and local law enforcement by increasing the total funding level for the Bureau of Justice Assistance in the House's Fiscal Year 2009 Budget.

Thank you.

Chairman SPRATT. Thank you for very compelling testimony. It is consistent with what we have already heard from the two witnesses that preceded you.

The cuts that this Administration has made in this budget resolution are deep and hurtful, particularly to local government and to regional government. And here is a program that the need for it cannot be overstated, the State Criminal Alien Adjustment.

If you are going to do anything about immigration, it starts at the borders, securing the borders, and it starts with dealing with criminal elements and those who are coming here illegally. And this is one federal program that specifically addresses that.

And it is not being cut. It is being eliminated, wiped out completely which begs lots of questions. Among them is what is the Administration's position on immigration?

Thank you very much. Your testimony was very effective and it will be taken to heart as we go through this budget.

Ms. GIFFORDS. Thank you, Mr. Chairman and members of the Committee. I appreciate the opportunity.

Chairman SPRATT. Mr. Berry?

Mr. BERRY. I have no questions.

Chairman SPRATT. Mr. Poe from Texas. Thank you for coming. You have got the floor for five minutes to present your testimony. And we will make your full statement part of the record.

Mr. POE. Thank you very much, Mr. Chairman.

Chairman SPRATT. You are welcome. And we appreciate your being here.

#### **STATEMENT OF HON. TED POE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF TEXAS**

Mr. POE. I am here on behalf of the novel concept of "Victims of Crime Act." The VOCA fund, 24 years old, is a fund that is funded by convicted criminals and the fees and fines that they pay go into this fund. It is an assessment by federal judges. It is not taxpayer money. It is money that is funded by criminals for victims of crime. It is a great concept.

And this money is spent throughout the country for rape crisis shelters, domestic violence shelters, victim advocates, and victims'

restitution. It is like making the criminals pay the rent on the courthouse, pay for the system that they have created.

But the Justice Department administers this fund. And right now it is \$1.7 billion that criminals have donated to the fund. Next year, it is supposed to be \$1.9 billion because federal judges are assessing more fines and fees and there are more criminal cases.

So the problem, what is it? The problem is that every year in the budget, in the Administration's budget, the amount of money available to these organizations keeps getting lower and lower. Even though there is 1.7 billion in the fund this year, the budget only authorizes \$540 million, excluding the \$50 million antiterrorism emergency reserve. That is a cut from last year of \$770 million.

Many of these organizations barely keep the lights on and when they lose money, a few million dollars, they close down. And not only is the fund being reduced, but the President's budget wants to take the rest of the fund and distribute it for other pet projects, thus eliminating the fund entirely.

And the Justice Department who has always administered the fund this year wants to charge a surcharge for administering the fund. They have never issued a surcharge before. In fact, I do not think Congress has even authorized this surcharge.

But they are going to take money out of the fund to pay for the administration of it because they have a budget cut. So you have got these different organizations coming in to take money that really does not belong to these organizations. It belongs to crime victims.

So I am simply asking that on behalf of victims of crime throughout the United States that the fund not be decreased, that it actually be raised just to \$660 million, and that it stay current every year, of course, we have to fight this battle every year, and that other groups do not rob this fund for other projects in the budget.

Once again, this is not taxpayer money. It did not come from taxpayers. It came from criminals. And it is the idea that the money should be spent on victims of criminal conduct.

So I am just asking this Committee to restore the level of funding to \$770 million, not reduce it, not allow other organizations and departments in our government to take the money and spend it on, frankly, things that have nothing to do with crime victims.

So that is the testimony and I am asking that the Committee protect the rights of victims. These are very important programs. It is a tremendous concept and because Congress or, rather, the Justice Department administers the fund, so many organizations and departments want to grab this money and use it on their pet projects. And they are not entitled to this money. It goes to victims.

[The prepared statement of Ted Poe follows:]

PREPARED STATEMENT OF HON. TED POE, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF TEXAS

Mr. Chairman and Members of the Committee: Thank you for the opportunity to speak about the Crime Victims Fund. Congress created this Fund in the bipartisan Victims of Crime Act or VOCA. President Reagan signed VOCA into law in 1984.

The Crime Victims Fund is a novel idea. Convicted federal criminals pay fees and fines into the Fund. That money is then saved and reserved for victims of crime. The Fund helps pay reparations to victims and allows domestic violence shelters, rape crisis centers, and other organizations to keep their doors open.



Today, the Fund is about \$1.7 billion. This is money contributed by criminals that goes to crime victims. I want to be clear: this is not taxpayer money. This is criminals paying for the system that they've created. Criminals are paying rent on the courthouse.

Although the Fund is \$1.7 billion, Congress limits the amount available to crime victim organizations to ensure that there is money left over for the next year. The 2006 Fund level was \$625 million. It stayed at that level in 2007 but state assistance grants were cut. The Fund level was then lowered in 2008 to \$590 million, which means even more cuts to state grants. The cuts may seem small, but they are forcing victim service centers across the country to close their doors because they can barely keep their lights on.

The Fund is in even more danger. For the 1st time in its 24 year history, the Justice Department is taking money out of the Fund at a rate of 5.5%. This is to administer the Fund. That surcharge will equal \$32.45 million. The Justice Department claims that it needs the \$32.45 million because its management and administrative costs were under funded in Fiscal Year 2008. The Justice Department does not have the legal authority to do this and is doing so without Congressional approval. The Justice Department's budget is being cut so it wants to steal money from victims of crime to make up for the difference.

A similar surcharge is being assessed to RISS, the Regional Information Sharing Systems Program. The Justice Department wants to impose a surcharge of 7.5% on RISS. That's even higher than what banks charge. RISS is one of the nation's most important law enforcement intelligence sharing networks. RISS gives local, state, federal, and tribal law enforcement agencies access to intelligence databases and investigative resources to enhance and improve the ability to detect crime, apprehend offenders, and successfully prosecute criminals. For Fiscal Year 2009, Congress must appropriate 52.7 million to ensure that RISS provides our law enforcement officers the tools they need to keep us all safe.

Congress must also adequately fund the Justice Department's management and administrative costs, so that the Justice Department gets out of the business of charging interest to non-profits.

With the Crime Victims Fund, federal bureaucrats see a Fund with over a billion dollars in it and instantly want to touch it. But it's not their money to touch. The Crime Victims Fund has \$1.7 billion this year. Next year, it will be \$1.9 billion. Every year, the fund grows larger, but every year the government lowers the amount available for VOCA grants.

The Federal government, particularly the Justice Department, needs to keep their hands off of the Crime Victims Fund. Criminals pay into the fund to help the victims that they harmed, not to help the Federal government pay for other things.

On top of the almost \$81 million cut in victim services for 2008, we fear there will be even more cuts. Once again the Administration recommends rescinding the Crime Victims Fund. In other words, abolish a \$1.7 billion Fund. This would drain the Fund, combine offender revenue with taxpayer funds, and allow the Administration to use the funds for other pet projects. Victims should not be forced to wage an annual fight over a Fund that was created for their sole benefit.

The Administration's 2009 budget proposal also includes another \$52 million cut for state assistance grants. That's a total cut of \$159 million since 2006. But the money is already in the Fund! The Fund is growing every day. Now Congress needs to make these funds accessible to crime victim services.

In order to offset these cuts, Congress will have to raise the Fund to \$770 million in Fiscal Year 2009. This would just restore victim state assistance grants to the 2006 level. This would simply get programs back to where they were four years ago. Mr. Chairman, I urge you to ensure that the 2009 VOCA cap is at least \$770 million.

Crime victims do not have high dollar lobbyists here in Washington, DC to advocate on their behalf. Victims expect us, Members of Congress, to advocate on their behalf. They were victims of crime and we cannot let federal bureaucrats continue to victimize them. It is important that we do not let the bureaucrats raid the Crime Victims Fund and use that money for other purposes. Bureaucrats must find that money somewhere else. This money belongs to crime victims and needs to be left alone. And that's just the way it is.

Chairman SPRATT. Mr. Poe, you make a very compelling witness. Good point, powerful presentation. We are entirely sympathetic to you.

We have got other programs in the Justice Department we would like to repair. You may or may not agree, but one would be the

COPS Program which will be at this rate wiped out by this budget, Byrne Grants crippled, and I think the State Law Enforcement Block Grant is under-funded as well and that is just for starters.

So I do not know what your experience is in Texas, but these are programs that have worked in my part of the world and have demonstrated they work and that is why they have survived this many years. And your program not only has worked and has the tangible assets to prove it, but it also makes a lot of equity sense in terms of equity. Those who are guilty of violating the law should pay for the consequences of their illegal action.

I cannot quibble with it at all. We will do our best to see that it is restored to the level you are talking about. It will not be easy because we have got a very tight budget, but you make a strong case.

Thank you for coming.

Mr. POE. Thank you, Mr. Chairman. Thank you very much.

Chairman SPRATT. Mr. Berry, do you have any questions?

Mr. BERRY. I think you are an attorney; is that right?

Mr. POE. I am an attorney, former judge in Texas for 20 years.

Mr. BERRY. Do you think what the Justice Department did was legal?

Mr. POE. No, sir, I do not. It is not authorized by Congress. Congress set the legislation for the VOCA fund in 1984. The Justice Department has always administered it without charging a surcharge. And this year, because they want some more money, they are taking five percent of that fund. And I do not think it is legal. I certainly do not.

Mr. BERRY. What do you think we ought to do about it?

Mr. POE. Well, first of all, not allow them to take the money out of it because it is not authorized by Congress. So they continue to administer the fund just like they have in the past without getting that kickback or surcharge.

Mr. BERRY. Thank you.

Mr. POE. Thank you, Mr. Berry.

Chairman SPRATT. Mr. Berry, would you come around and take the gavel.

Mr. Loeb sack, welcome. You have heard the rules for the presentation. You will have five minutes and your full statement will be made part of the record. We very much appreciate you coming.

I have got to go to a meeting with the Blue Dogs at this point in time. I will be back intermittently.

But we are seeing from the testimony the gaping holes in this budget that have got to be repaired before it can be brought to a vote. So we appreciate your participation for those reasons.

Mr. Berry.

#### **STATEMENT OF HON. DAVID LOEBSACK, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA**

Mr. LOEBSACK. Thank you, Mr. Chairman, Ranking Member Ryan, and members of the House Budget Committee. It is an honor to testify before you today on the most important issues to the families, students, seniors, and veterans of Iowa's 2nd Congressional District.

The needs and priorities of the constituents I represent have not been reflected in the Administration's fiscal year 2009 budget. For too long, Washington has left behind hard-working Americans. In Iowa, this is evident in the good people who are struggling to provide for their families, put food on the table, afford quality healthcare, send their children to college, fill their gas tanks, and save for retirement.

The fiscal year 2009 budget request is a continuation of this Administration's failed policies that have left people struggling to make ends meet.

Today I urge you to reject the Administration's budget proposal when drafting the budget resolution for fiscal year 2009.

First, I would like you to closely examine the needs of our law enforcement community because once again the Administration's budget fails to recognize the importance of the Edward Byrne Memorial Justice Assistance Grant Program to the safety of our communities, schools, and our children.

Byrne JAG is effective because it puts funding directly into the hands of those who know best how to combat crime and fosters the cooperation necessary to take drugs off of our street. Yet, the Administration has proposed eliminating all direct grants to states and local law enforcement and instead to create a single competitive grant program that would pit states, law enforcement, prosecutors, and drug prevention organizations against one another while under-funding the entire program.

Byrne JAG has proven it is effective and it is critical to public safety. I call on you to fully fund Byrne JAG and to reject the Administration's proposed changes.

Second, as the budget process moves forward, I respectfully urge the Committee to look closely at the funding needs for programs that support Iowa's students, indeed the nation's students.

I am living proof of how community and education can make a difference. I grew up in poverty. Times were tough, but I focused on school. And with the help of academic financial assistance in combination with hard work, I had the strength and the resources to overcome personal hardships and achieve the American dream. For today's children, this dream is quickly slipping away.

For children growing up in poverty today, their first chance at success is Head Start. Unfortunately, the Administration provided only a small increase of \$149 million for Head Start following a \$10 million cut in funding last year.

As a member of the Educational Labor Committee, I along with my colleagues reauthorized this important program. We worked hard to produce bipartisan legislation that has been signed into law. If funded properly, Head Start will help many more children reach kindergarten ready to succeed.

As children progress through the education system, they encounter crumbling schools, overworked, underpaid teachers, and supply shortages. As we work to reauthorize the "Elementary and Secondary Education Act" this year, I am disappointed by the Administration's proposals for NCLB, No Child Left Behind. The proposed increase for public schools is not enough even to keep pace with inflation.

Higher education also suffers under this budget which cuts new student benefits provided by Congress under the "College Cost Reduction and Access Act." In addition, the Administration asked for \$4,800 for the Pell Grant scholarship, but I urge the Committee to support \$5,100, bringing us closer to meeting our ultimate goal of \$5,400.

And I would also be remiss if I did not address the need to fully fund the "Individuals with Disabilities Education Act." Though the budget includes a \$337 million increase for IDEA funding, it provides far less than what is needed to give necessary support to students with disabilities.

The Administration's budget has severely shortchanged our nation's students by failing to adequately fund Head Start, No Child Left Behind, higher education, and IDEA. And I ask that you reject these budget proposals and fully fund these critical programs to ensure our children receive a first-rate education starting in childhood and continuing through adulthood.

Public safety and education are not partisan issues. They are critical domestic matters that are suffering under this Administration's misguided policies. However, these are only two of the many concerns I fear are being ignored.

I want to conclude by thanking you for this opportunity to represent the needs and priorities of Iowa's 2nd Congressional District in front of the House Budget Committee, especially given that I, too, am a freshman. I am honored to be here today and I urge each of you to take our country in a new direction when developing the budget resolution for fiscal year 2009.

Thank you, Mr. Chairman.

[The prepared statement of David Loeb sack follows:]

PREPARED STATEMENT OF HON. DAVE LOEBSACK, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF IOWA

Good morning Mr. Chairman, Ranking Member Ryan, and members of the House Budget Committee. It is an honor to testify before you on the issues most important to the families, students, seniors, and veterans of Iowa's Second Congressional District. The needs and priorities of the constituents I represent have not been reflected in the Administration's Fiscal Year 2009 Budget.

For too long, Washington has left behind hardworking Americans. In Iowa, this is evident in the good people that are struggling to provide for their families, put food on the table, afford quality health care, send their children to college, fill their gas tanks, and save for retirement. The FY 2009 budget request is a continuation of this Administration's failed policies that have left people struggling to make ends meet.

Today, I urge you to reject the Administration's budget proposal when drafting the Budget Resolution for Fiscal Year 2009.

First, I would like you to closely examine the needs of our law enforcement community, because once again, the Administration's budget fails to recognize the importance of the Edward Byrne Memorial Justice Assistance Grant program to the safety of our communities, schools, and children.

Byrne JAG is effective because it puts funding directly into the hands of those who know best how to combat crime and fosters the cooperation necessary to take drugs off of our streets.

Yet the Administration has proposed eliminating all direct grants to States and local law enforcement and instead to create a single competitive grant program that would pit States, law enforcement, prosecutors, and drug prevention organizations against one another while under-funding the entire program.

Byrne JAG is proven, effective, and critical to public safety. I call on you to fully fund Byrne JAG and to reject the Administration's proposed changes.

Second, as the budget process moves forward, I respectfully urge the Committee to look closely at the funding needs for programs that support Iowa's students.

I am living proof of how community and education can make a difference. I grew up in poverty. Times were tough, but I focused on school. With the help of academic financial assistance, in combination with hard work, I had the strength and resources to overcome these personal hardships and achieve the American Dream. For today's children, this dream is quickly slipping away.

For children growing up in poverty today, their first chance at success is Head Start. Unfortunately, the Administration provided only a small increase of \$149 million for Head Start following a \$10 million dollar cut in funding last year.

As a member of the Education and Labor Committee, I along with my colleagues reauthorized this important program. We worked hard to produce bipartisan legislation that has been signed into law. If funded properly, Head Start will help many more children reach kindergarten ready to succeed.

As children progress through the education system, they encounter crumbling schools, overworked, underpaid teachers, and supply shortages. As we work to reauthorize the Elementary and Secondary Education Act this year, I am disappointed by the Administration's proposals for NCLB. The proposed increase for public schools is not enough even to keep pace with inflation.

Higher Education also suffers under this budget which decimates student financial aid programs. The Administration not only refuses to increase maximum Pell Grant scholarship to \$5,100, bringing us closer to meeting our ultimate goal of \$5,400, but it cut new student benefits provided by Congress under the College Cost Reduction and Access Act.

I would also be remiss if I did not address the need to fully fund the Individuals with Disabilities Education Act. Though the budget includes a \$337 million increase in IDEA funding, it provides less than half the funding level promised by Congress 33 years ago.

The Administration's budget has severely shortchanged our nation's students by failing to adequately fund Head Start, No Child Left Behind, Higher Education and IDEA. I ask you to reject these budget proposals and fully fund these critical programs to ensure our children receive a first rate education starting in childhood and continuing through adulthood.

Public safety and education are not partisan issues; they are critical domestic matters that are suffering under the Administration's misguided policies. However, these are only two of many domestic concerns I fear are being ignored.

I want to conclude by thanking you for this opportunity to represent the needs and priorities of Iowa's Second Congressional District in front of the House Budget Committee, and urge each of you to take our country in a new direction when developing the Budget Resolution for Fiscal Year 2009.

Mr. BERRY [presiding]. Thank you, Mr. Loeb sack, and we appreciate you raising these matters to the Committee. I know the Chairman is aware of it and the Committee is aware of it.

And I happen to have been around when some of those programs were begun and we had a crime wave in this country that was completely out of control. And that is where some of those programs came from.

And as we funded and implemented those programs, the crime rate went down. And as they have been under-funded and defunded over the last seven years, it has begun to go back up again. That is just one example of what some of these things mean.

So we appreciate your concerns and certainly it will be taken into consideration as we put this budget together.

Mr. LOEBSACK. Thank you again.

Mr. BERRY. The Chair recognizes the distinguished gentlewoman from New York and we are prepared to receive your testimony, Ms. McCarthy.

#### **STATEMENT OF HON. CAROLYN MCCARTHY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK**

Ms. MCCARTHY. I thank you, Mr. Chairman. I appreciate you allowing me to testify today in support of including necessary funding in the fiscal year 2009 budget resolution under the Department

of Justice Community Oriented Policing Services to implement H.R. 2640, the "NICBCS Improvement Amendments Act of 2007," Public Law 110-180.

H.R. 2640 was signed into law by the President on January 8th, 2008, after having passed both the House and the Senate unanimously.

I know the budget is tight, Mr. Chairman, but fully funding this program is so important because currently the National Instant Criminal Background Check System or the NICBCS is deeply flawed.

NICBCS is a national database system that flags individuals precluded under current law from purchasing and possessing firearms. Millions of criminal records are currently missing from the database that makes up NICBCS due to funding restrictions and technology issues at the state level.

Many states have not automated individual records concerning mental illness, restraining orders, or misdemeanor convictions for domestic violence. Simply put, NICBCS must be updated on the state level so that it can properly function on the federal level.

This point is underscored by the circumstances unfortunately surrounding the shootings of Virginia Tech in April of last year. The shooter in the Virginia Tech massacre was prohibited from legally purchasing a firearm. Unfortunately, flaws in the NICBCS system allowed his record to slip through the cracks and he was able to purchase two handguns and use them to brutally murder 32 individuals.

He passed a Brady background check because NICBCS did not have the necessary information. Sadly, the same scenario happens every day across this nation.

The "NICBCS Improvement Amendments Act" requires all states to provide NICBCS with the relevant records needed to conduct effective background checks. It is the state's responsibility to ensure this information is current and accurate. They must update their records to ensure violent criminals do not have access to firearms and then they must share their information with NICBCS.

However, I recognize many state budgets are already overburdened. This law disputes grants and states to update their records and provide those records to NICBCS. States will receive the funds they need to make sure relevant records are up to date.

While NICBCS has flaws, the "NICBCS Improvement Amendment Act of 2007" corrects the primary flaw and will prevent thousands of individuals precluded from purchasing firearms from doing so.

Approximately 916,000 individuals were precluded from purchasing a firearm for failing a background check between November 30th, 1998, when NICBCS began operating, and December 31st, 2004.

During this same period, nearly 49 million background checks were processed through NICBCS. These numbers provide that NICBCS works and will continue to work. However, since NICBCS is only as good as the information it contains, we must ensure that NICBCS has the most up-to-date records to stop criminals, those adjudicated as mentally ill and those under restraining order from purchasing firearms.

It has been estimated that more than 40 million records are still missing from the various databases that makes up NICBCS. By providing this funding, we will move one step closer to bringing the records of millions of barred individuals into NICBCS.

This law imposes no new restrictions on gun owners and does not infringe on the Second Amendment rights of law-abiding citizens. It simply makes improvements to a program that saves lives.

The NRA and I worked very hard on this. We actually passed it in 2002. Unfortunately, the Senate never took it up. But after Virginia Tech, we were able to pass it on both areas.

I respectfully request that you include \$187.5 million to the fiscal year 2009 budget resolution under the Department of Justice Community Oriented Policing Services in order to fully fund the "NICBCS Improvement Amendments Act of 2007."

I thank you for your time and I would be more than willing to answer any questions.

[The prepared statement of Carolyn McCarthy follows:]

PREPARED STATEMENT OF HON. CAROLYN MCCARTHY, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEW YORK

Thank you Chairman Spratt, Ranking Member Ryan, and Members of the Budget Committee.

I appreciate your allowing me to testify today in support of including necessary funding in the Fiscal Year 2009 Budget Resolution under the Department of Justice Community Oriented Policing Services to implement H.R. 2640, the NICS Improvement Amendments Act of 2007, Public Law Number 110-180.

H.R. 2640 was signed into law on January 8, 2008, after having passed both the House and Senate unanimously.

I know the budget is tight, Mr. Chairman, but fully funding this program is so important because currently the National Instant Criminal Background Check System, or NICS, is deeply flawed.

NICS is a national database system that flags individuals precluded under current law from purchasing and possessing firearms.

Millions of criminal records are currently missing from the databases that make up NICS due to funding restrictions and technology issues at the state level.

Many states have not automated individuals' records concerning mental illness, restraining orders, or misdemeanor convictions for domestic violence.

Simply put, NICS must be updated on the state level so that it can properly function on the federal level.

This point is underscored by the circumstances surrounding the shootings at Virginia Tech in April of last year.

The shooter in the Virginia Tech massacre was prohibited from legally purchasing a firearm.

Unfortunately, flaws in the NICS system allowed his record to slip through the cracks and he was able to purchase two handguns, and used them to brutally murder 32 individuals.

He passed a Brady background check because NICS did not have the necessary information.

Sadly, this same scenario happens every day.

The NICS Improvement Amendments Act requires all states to provide NICS with the relevant records needed to conduct effective background checks.

It is the state's responsibility to ensure this information is current and accurate. They must update their records to ensure violent criminals do not have access to firearms. And then, they must share the information with NICS.

However, I recognize many state budgets are already overburdened.

This law distributes grants to states to update their records and provide those records to NICS.

States will receive the funds they need to make sure relevant records are up-to-date.

While NICS has flaws, the NICS Improvement Amendments Act of 2007 corrects the primary flaw and will prevent thousands of individuals precluded from purchasing firearms from doing so.

Approximately 960,000 individuals were precluded from purchasing a firearm for failing a background check between November 30, 1998, when NICS began operating, and December 31, 2004.

During this same period, nearly 49 million Brady background checks were processed through NICS.

These numbers prove that NICS works and will continue to work. However, since NICS is only as good as the information it contains, we must ensure that NICS has the most up-to-date records to stop criminals, those adjudicated as mentally ill, and those under a restraining order from purchasing firearms.

It has been estimated that more than 40 million records are missing from the various databases that make up NICS.

By providing this funding, we will move one step closer to bringing the records of millions of barred individuals into NICS.

This law imposes no new restrictions on gun owners and does not infringe on the 2nd Amendment rights of law-abiding citizens. It simply makes improvements to a program that saves lives.

I respectfully request that you include \$187.5 million in the Fiscal Year 2009 Budget Resolution under the Department of Justice Community Oriented Policing Services in order to fully fund the NICS Improvement Amendments Act of 2007.

Thank you for your time and I would be happy to answer any questions you may have.

Mr. BERRY. Well, the gentle lady speaks to this matter with knowledge and authority that is not possessed by any other member of Congress. And we appreciate you coming here and raising these matters with the Budget Committee.

And I think we can say with confidence that they will be certainly considered and noted. As we work through this budget, hopefully we will get some of these problems worked out.

But we thank you very much for being willing to do this and we appreciate all your efforts.

Ms. MCCARTHY. And I thank you for your time, sir. Thank you.

Ms. HOOLEY [presiding]. The next member to testify is Mr. Altmire from Pennsylvania. Welcome, and we are pleased to receive your testimony. You are recognized for five minutes.

#### **STATEMENT OF HON. JASON ALTMIRE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA**

Mr. ALTMIRE. Thank you, Madam Chair, and I appreciate the support of the members of the Committee for the opportunity to testify today on the importance of the fiscal year 2009 budget resolution and specifically its impact on western Pennsylvania.

Over the past seven years, President Bush has time and again sent budget proposals to Congress that fail to address the needs of our country and these irresponsible budgets have led to record deficits and an economy that is, to say the least, unstable.

With one last opportunity to address the fiscal turmoil created during his Administration, I had hoped the President would submit to Congress a budget that prioritizes America and finally puts this country on a path to recovery, but, unfortunately, this was not the case.

The President's fiscal year 2009 budget proposal once again rejects the will of the American people, cuts funding for critical domestic programs, and even goes as far as to attempt to balance the budget on the backs of our nation's veterans.

Simply said, I find the President's budget plan unacceptable and I urge the Committee to reject many of its proposals and, instead, work in a bipartisan manner to develop a fiscally responsible budget.



As you and the Committee prepare the fiscal year 2009 budget resolution, I urge you to pay tribute to the sacrifices made by our nation's veterans by once again fully funding their medical care and coverage.

Last year, Congress answered this call by providing a record \$13 billion of funding for the VA, meeting for the first time the recommendations put forth by the Independent Budget. I hope that we can again continue this tradition and pass a budget resolution that contains a substantial increase in veterans' funding.

Unfortunately, the President disagrees and would rather short-change our nation's veterans. When adjusted for inflation, his 2009 budget requests only a .6 percent increase over fiscal year 2008 levels. This is regarded as beyond inadequate by every major veterans' organization, especially considering that over 100,000 new veterans will seek treatment this year from the VA.

Furthermore, the President's budget calls on fee and co-payment increases of \$5.2 billion on veterans' medical care. If enacted, these increases would almost double the cost of prescriptions and impose an enrollment fee of up to \$750 per year. It is predicted that the fee increases would cause almost 200,000 veterans to leave the VA healthcare system. Most disappointing is the fact that the President's plan would not even reinvest these additional funds in veterans' healthcare.

Madam Chair, on behalf of the over 60,000 veterans residing in my district, many of whom already struggle with access to their benefits, I again ask that you set aside the President's misguided recommendations and pass a budget that prioritizes the needs of veterans and ensures they have access to every benefit they deserve.

When it comes time for Congress to make federal funding decisions, there is absolutely no group that should stand ahead of our nation's veterans.

The Bush budget also reneges on America's promise to care for its senior citizens and cuts Medicare by \$556 billion over ten years. This proposal is far too severe. It could limit seniors' access to their doctors and make it harder for our hospitals to provide patients with quality care.

With 124,000 Medicare beneficiaries in my district alone, I take any change to the program seriously and believe that it is the wrong path for us to take as the baby boomers begin to retire.

Most of the cuts are to hospitals and other medical providers, but remarkably \$26 billion comes from increased premiums to beneficiaries. Hospitals in my district estimate a total five-year impact of over \$125 million.

Let me just cite a few to give you an idea of what this means. A \$14 million cut to the Alle-Kiski Medical Center in Natrona Heights; a \$15 million cut to Jameson Hospital in New Castle; and a \$29 million cut to the Heritage Valley Medical Center in Beaver, Pennsylvania.

These are not small, insignificant amounts to local hospitals. We can do a better job to reform Medicare and ensure its solvency than by simply slashing reimbursement to hospitals and other providers and increasing premiums on seniors.

The President's budget also calls for a \$570 million cut to LIHEAP which would reduce LIHEAP's funding to the 2001 level. In Pennsylvania, LIHEAP provides 285,000 low-income households with the money necessary to pay their heating bills in the winter. This money goes primarily to households with young children, senior citizens, or disabled individuals. At a time when home heating costs are increasing dramatically, by 80 percent since 2001, I find it unconscionable that the President has proposed these cuts.

Lastly, the President's budget nearly eliminates the Manufacturing Extension Partnership, the MEP. The MEP funding is critical to making small and medium size manufacturers more productive and competitive. Those funds are used to connect these manufacturers with cutting-edge technology, trained workers, streamline the process, and assist with production innovation. In 2006 alone, MEP helped manufacturers save \$1.3 billion and create or retain 53,000 jobs.

Again, I appreciate the opportunity to address the Committee today to outline my priorities for the fiscal year 2009 budget. Thank you, Madam Chair and members of the Committee. And I yield back my time.

[The prepared statement of Jason Altmire follows:]

PREPARED STATEMENT OF HON. JASON ALTMIRE, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF PENNSYLVANIA

Thank you, Mr. Chairman and members of the committee. I appreciate the opportunity to testify today on the importance of the fiscal year 2009 budget resolution and its impact on western Pennsylvania.

Over the past seven years, President Bush has time and again sent budget proposals to Congress that fail to address the needs of our country. These irresponsible budgets have led to record deficits and an economy that is unstable to say the least. With one last opportunity to address the fiscal turmoil created during his administration, I hoped the president would submit to Congress a budget that prioritizes America and finally puts this country on a path to recovery. Unfortunately, this was not the case.

The President's fiscal year 2009 budget proposal once again rejects the will of the American people, cuts funding for critical domestic programs, and even goes as far as to attempt to balance the budget on the backs of our nation's veterans. Simply said, I find the President's plan unacceptable. I urge the Committee to reject many of its proposals and instead work in a bipartisan manner to develop a fiscally responsible budget.

As you prepare the fiscal year 2009 budget resolution, I urge you to pay tribute to the sacrifices made by our nation's veterans by once again fully funding their medical care and coverage. Last year, Congress answered this call by providing a record \$13 billion of funding for the VA—meeting, for the first time, the recommendation put forth by the Independent Budget. I hope that we can continue this tradition and again pass a budget resolution that contains a substantial increase in veterans funding.

Unfortunately, the President disagrees and would rather shortchange the nation's veterans. When adjusted for inflation, his 2009 budget requests only a 0.6% increase over FY08 levels. This is regarded as beyond inadequate by every major veteran's organization—especially considering that over 100,000 new veterans will seek treatment from the VA in fiscal year 2009.

Furthermore, the President's budget calls on fee and co-payment increases of \$5.2 billion on veterans' medical care. If enacted, these increases would almost double the cost of prescriptions and impose an enrollment fee of up to \$750 per year. It is predicted that the fee increases would cause almost 200,000 veterans to leave the VA health care system. Most disappointing is that the President's plan would not even reinvest these additional funds in veterans' health care.

Mr. Chairman, on behalf of the over 60,000 veterans residing in my district—many of whom already struggle to access their benefits—I again ask that you set aside the President's misguided recommendations and pass a budget that prioritizes the needs of veterans and ensures they have access to every benefit they deserve.

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The Bush budget also reneges on America's promise to care for its senior citizens and cuts Medicare by \$556 billion over ten years. This proposal is far too severe. It could limit seniors' access to their doctors and make it harder for our hospitals to provide patients with quality care. With 124,000 Medicare beneficiaries in my district, I take any changes to the program seriously and believe it's the wrong path for us to take as the baby boomers begin to retire. Most of the cuts are to hospitals and other medical providers, but remarkably \$26 billion comes from increased premiums to beneficiaries.

Hospitals in my district estimate a total five-year impact of over \$125 million. Let me just cite a few to give you an idea of what this means: a \$14 million cut to Alle-Kiski Medical Center in Natrona Heights; a \$15 million cut to Jameson Hospital in New Castle; and a \$29 million cut to Heritage Valley's Medical Center in Beaver, Pennsylvania. These are not small, insignificant amounts to local community hospitals.

We can do a better job to reform Medicare and ensure its solvency than by simply slashing reimbursement to hospitals and other providers and increasing premiums on seniors.

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In addition, President Bush's budget nearly eliminates the Manufacturing Extension Partnership (MEP). MEP funding is critical to making small and medium size manufacturers more productive and competitive. MEP funds are used to connect these manufacturers with cutting edge technology, train workers, streamline processes, and assist with production innovation. In 2006 alone, MEP helped manufacturers save \$1.3 billion and create or retain 53,219 jobs.

Last year in my district, the MEP assisted 54 companies that account for 5,400 jobs. CMC/Cygnus Manufacturing Company (CMC/Cygnus) from my district is one of the examples of how the MEP benefits small and medium size manufacturers. The MEP assisted CMC/Cygnus with the re-design of its assembly areas, which significantly improved its lead times and delivery to its customers. It is apparent that any cut to this program will significantly weaken the manufacturing industry in my district and districts like mine throughout the country.

Again, I appreciate the opportunity to address the committee today and outline my priorities for the fiscal year 2009 budget. Thank you, Mr. Chairman and members of the committee. I yield back the balance of my time.

Ms. HOOLEY. Thank you so much for taking your time to testify about these very important issues.

I just have a couple of questions. When you are talking about veterans and talking about 100,000 new veterans into the system and the increase in the budget, in the President's budget, what would it take, do you think, or do you have an estimate just to keep up with medical inflation?

I mean, we have inflation, we have medical inflation, and we have new people coming into the system. We do not have that many people, I do not believe, leaving the system.

Do you have any idea what just medical inflation would be?

Mr. ALTMIRE. I thank the Chair for the question.

The President's budget has a .6 percent increase. There is nobody who thinks that medical inflation is going to be .6 percent this year. It is going to be more along the lines of ten percent. Medical inflation is often two and three times above the rate of inflation for consumer goods.

With veterans, they have unique health needs. They often need greater degrees of healthcare than other members of the population

that are their age. So it affects them even more than the general population.

So to think that a .6 increase in the President's budget is going to result in better care for veterans is simply not the case.

Ms. HOOLEY. Do you think it also takes into account the amount of help that a lot of our veterans coming back from Iraq and Afghanistan where they need mental health, do you think this begins to cover that?

Mr. ALTMIRE. Mental health is a huge portion of the issue. Certainly posttraumatic stress disorder, issues like traumatic brain injury, even mild cases have enormous costs associated with treating them.

And, of course, unfortunately, we have had 25,000 to 30,000 veterans that have been injured in the wars in Afghanistan and Iraq. Very often these are young people, 19, 20 years old that are going to need healthcare for the rest of their lives. They are very seriously injured and the cost of care is just incalculable over their lifetime.

So we need to keep up with that. And this Congress did great work last year with a \$13 billion increase in VA healthcare funding and I am asking the Committee to consider that level of funding increase again this year.

Ms. HOOLEY. Thank you. Thank you very much for your testimony. Appreciate you taking the time and bringing up these very important issues. Thank you.

Next we have testifying Representative Bruce Braley from Iowa. Welcome.

**STATEMENT OF HON. BRUCE BRALEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF IOWA**

Mr. BRALEY. Thank you, Madam Chairwoman.

I want to thank Chairman Spratt and Ranking Member Ryan for inviting me here to testify before the Committee today.

And I want to thank you, Madam Chairwoman, for holding this and presiding over this important hearing. And I want to start my remarks by representing to you that this is probably going to be the same song, second verse.

Ms. HOOLEY. Okay.

Mr. BRALEY. I appreciate the opportunity to share my concerns about the impact of the President's fiscal year 2009 budget and the impact that it will have specifically on our nation's veterans and to also express my strong views that we in Congress must do everything we can to ensure that we are sufficiently funding the Veterans Administration and properly caring for our troops, our veterans, and their families both now and in the future.

It was just about a year ago today, Madam Chairwoman, that I, like most Americans, was shocked and outraged to learn about the horrific living conditions, neglect, and bureaucratic hurdles that our veterans were experiencing at Building 18 at Walter Reed Medical Center.

It was about a year ago that we learned that these problems were not just confined to Walter Reed but were widespread and systemic throughout the military and veterans' healthcare systems.

And it was just a year ago that President Bush went to Walter Reed, apologized to wounded soldiers, and promised to “fix the problem.”

The scandal at Walter Reed served as a wake-up call that we as a country need to be doing much more to provide for our veterans who have sacrificed so much for us.

Republicans and Democrats alike agreed that we needed to make significant and new investments in the VA. There was consensus that we needed to comprehensively change and improve veterans’ healthcare and benefit system so that veterans would never again have to face the mistreatment that so many experienced at Walter Reed and other VA facilities throughout the country.

I thought that everyone, including President Bush, also understood that “fixing the problem” would require long-term investments and efforts, especially with the large number of veterans returning from Iraq and Afghanistan with severe mental and physical injuries as my colleague, Mr. Altmire, just referred to.

That is why I was so surprised and disappointed when I learned that the President’s fiscal year 2009 budget would inexplicably cut VA funding by billions of dollars in coming years.

His budget would reduce funding for medical and prosthetic research critical to the large number of veterans returning home with amputated limbs and mental injuries like posttraumatic stress disorder and traumatic brain injury by millions of dollars.

And as I have mentioned on multiple occasions, Madam Chairwoman, we are talking about the hidden injuries of this war. People who can walk on the street and people in the public do not perceive that they have had critical and life-threatening injuries simply because of the nature of posttraumatic stress disorder and traumatic brain injuries.

The President’s budget would cut overall veterans’ funding by an astounding \$20 billion between 2009 and 2013 and would also increase healthcare fees and pharmacy co-pays for veterans.

And, Madam Chairwoman, when we have had repeated oversight and reform hearings on the problems at Walter Reed and the problems with our DoD and VA healthcare delivery systems, I have frequently referred to the hidden costs of this war which my friend, Mr. Altmire, just referred to.

If you take a young man, because most of these people are young men, 19 years of age, and you go to the life expectancy tables for a 19-year-old, you will find out that they are projected to live 55 years beyond their current age.

And when you amortize the cost of treating amputations, posttraumatic stress disorder, and traumatic brain injuries over that life expectancy, we are talking about millions of dollars per patient.

And at a time when our healthcare system is in crisis and we are looking at ways of providing funding to people outside the military and VA system, we know that the more we invest in giving them the best chance at success and getting back to normal function, the less we as a society will pay long term in caring for them in outside healthcare delivery systems.

And that is why this budget cut is so significant, because it is a complete disservice to our veterans, our soldiers who are return-

ing from Iraq and Afghanistan, and it will end up in a long-term burden to the taxpayers of this country.

These proposed deep cuts to veterans' services and healthcare and increases in healthcare fees are irresponsible and unacceptable.

The cuts to prosthetic and mental health research threaten to deny our veterans the high quality of care they deserve not only when they first return home but throughout their lifetime.

And I have talked repeatedly about a constituent of mine, Dennis Clark, who runs a prosthetic company in Waterloo, Iowa and during the first part of the Iraq war came out to Walter Reed on his own dime every week to provide volunteer prosthetic services.

Those are the types of sacrifices that people are making and we as a country need to share in that sacrifice.

I see that my time is up and so I will be happy to answer any questions.

[The prepared statement of Bruce Braley follows:]

PREPARED STATEMENT OF HON. BRUCE L. BRALEY, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF IOWA

Thank you, Chairman Spratt and Ranking Member Ryan, for inviting me here to testify before your Committee today. I appreciate the opportunity to share my concerns about the impact the President's proposed Fiscal Year 2009 Budget will have on our nation's veterans, and to express my strong views that we in Congress must do everything that we can to ensure that we are sufficiently funding the Veterans Administration and properly caring for our troops, our veterans, and their families, both now and in the future.

It was just a year ago that I, like most Americans, was shocked and outraged to learn about the horrific living conditions, neglect, and bureaucratic hurdles that our veterans were experiencing at Walter Reed Army Medical Center. It was just a year ago that we learned that these problems were not confined to Walter Reed, but were widespread and systemic throughout the military and veterans healthcare systems. And it was just a year ago that President Bush went to Walter Reed, apologized to wounded soldiers, and promised to "fix the problem."

The scandal at Walter Reed served as a wake-up call that we as a country need to be doing much more to provide for our veterans who have sacrificed so much for us. Republicans and Democrats alike agreed that we needed to make significant and new investments in the VA. There was consensus that we needed to comprehensively change and improve the veterans healthcare and benefits system, so that veterans would never again have to face the mistreatment that so many experienced at Walter Reed and other VA facilities throughout the country. I thought that everyone—including President Bush—also understood that "fixing the problem" would require long-term investments and efforts, especially with the large number of veterans returning from the wars in Iraq and Afghanistan with severe mental and physical injuries.

That's why I was so surprised and disappointed when I learned that the President's proposed Fiscal Year 2009 Budget would inexplicably cut VA funding by billions of dollars in coming years. His budget would reduce funding for medical and prosthetic research, critical to the large number of veterans returning home with amputated limbs and mental injuries like Post-Traumatic Stress Disorder and Traumatic Brain Injury, by millions of dollars. His budget would cut overall veterans funding by an astounding \$20 billion between 2009 and 2013, and would also increase healthcare fees and pharmacy co-pays for veterans.

These proposed deep cuts to veterans' services and healthcare, and increases in veterans' healthcare fees, are irresponsible and unacceptable. The cuts to prosthetic and mental health research threaten to deny our veterans the high quality of care they deserve not only when they first return home, but throughout their lifetime. In short, the President's proposed budget for veterans is a betrayal of American troops and veterans, and runs counter to the efforts and progress that Congress, the Defense Department, and the VA have made in the last year.

I am proud that Congress took the shame of Walter Reed and turned it into necessary and long-overdue action for our veterans through the bipartisan passage of critical bills like the Joshua Omvig Veterans Suicide Prevention Act, and the

Wounded Warrior Assistance Act. I was also proud to vote last year to give the VA the largest single funding increase in the 77-year history of the Department, an increase which will allow the VA to improve medical and mental health services and reduce delays in processing benefits.

However, the Joshua Ömrig bill and the Wounded Warrior provisions will be meaningless without adequate resources. Similarly, the historic amount of funding we provided for the VA for 2008 will not go very far unless it is matched by similar appropriations in coming years. As the wars in Iraq and Afghanistan continue, now is certainly not the time to cut veterans funding or backpedal on the progress we have made through these important new initiatives.

Unfortunately, I believe the President's budget follows a long trend of the Administration underestimating the true cost of the war in Iraq, and is a reflection of their failure to appropriately plan for the long-term. It is disturbing that the Administration is likely underestimating the number of Iraq and Afghanistan veterans who will seek care in coming years, and consequently failing to request sufficient funding for medical care.

It is this very underestimation and the failure to plan for the amount of soldiers returning home with physical and mental wounds that have directly led to the VA's recent budget shortfalls. It is this underestimation and lack of planning that has led to uncertainty about whether the VA is going to close the VA hospital in Knoxville, Iowa, where my brother works, causing the best employees there to leave and go to other facilities around the country. And it is this refusal to acknowledge the true long-term costs of the war and the true cost of taking care of our wounded soldiers which threatens to leave thousands of veterans without the long-term and high-quality care they deserve.

I am hopeful and confident that we have learned from past mistakes, and that Congress will reject these unconscionable cuts and fee increases. A rejection of the President's proposal is essential to ensuring that we continue to improve care for our veterans and that we provide them and their families with the best care, benefits, and treatment possible, now and throughout their lifetime.

Thank you again for allowing me to testify today. I look forward to working with you to ensure that we keep the promises we have made to our veterans, beginning with a Congressional budget that appropriately reflects the value of their service and the incredible sacrifices they have made for our country.

Ms. HOOLEY. Do you think we fixed the problem at Walter Reed?

Mr. BRALEY. No. One of the biggest crises at Walter Reed was not the living conditions at Building 18. When we held the first hearing immediately in the aftermath of the Building 18 disclosure, what we learned is that the bigger problem was the complete dysfunction of the VA and DoD disability systems.

And people who were being warehoused at Walter Reed while waiting for a determination of whether they were going to be cleared under DoD guidelines to return to active duty and, if not, whether they would then be kicked into the VA healthcare system.

And one of the great problems that we have had is that if you have the same injury and are seeking disability benefits under the VA compensation system, you may get a 70 percent impairment rating while under the DoD disability system with the exact same injuries, you may get a 40 percent impairment rating, resulting in substantially different compensation to the same wounded warrior.

And this has led to an incredible backlog in our disability claims processing. And one of the purposes of those hearings and the report and the legislation that we have passed is to try to reduce the backlog.

But all the evidence we are hearing from people who are involved in processing those claims and from advocates on behalf of those injured veterans is that none of this has made a significant impact in addressing the backlog.

We need more ombudspople who are advocating outside. We need more advocates who are advocating solely for the disabled veterans and wounded warriors. And until those problems get ad-

dressed, we will do nothing to seriously impact this backlog of disability claims.

Ms. HOOLEY. How do you think the transition has been between the DoD and the Veterans Department? Is that a smooth transition? I mean, when somebody comes back from war and all of a sudden now they are leaving the service and they are a veteran or they are not on active duty, what kind of transition are they facing?

Mr. BRALEY. It has been a huge obstacle to the orderly transition of a returning wounded warrior into a VA healthcare system because it is like the problems that were identified in the 9/11 Commission report, a problem called intraoperability, which is the inability of conflicting and sometimes competing agencies to share information with each other.

Sometimes they do not use the same type of software to manage patient records. Sometimes they do not use the same type of information to communicate back and forth and make sure that those claims are being transferred in a timely manner.

And I think in the report that Togo West's group, General Togo West's group prepared, that was one of the critical factors they identified.

There is a lot of work needs to be done and without the funding to make it happen, none of the concerns that were raised will ever be sufficiently resolved.

Ms. HOOLEY. Thank you so much for appearing today and your testimony. And this Committee, I know, will take up that issue and look at that very closely about what is fair and appropriate for our veterans. They really have given their all and we need to make sure that we keep our promises to them. So thank you very much.

At this time, we are in recess. And I believe there is a vote going on.

[Recess.]

Mr. ETHERIDGE [presiding]. The next member to testify is our good friend, Mr. Ehlers. Welcome. We are pleased to receive your testimony. You are recognized for five minutes.

**STATEMENT OF HON. VERNON EHLERS, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF MICHIGAN**

Mr. EHLERS. Thank you, Mr. Chairman. I appreciate that. And I have a complete prepared statement which I will submit for the record. But in the interest of time—

Mr. ETHERIDGE. Without objection.

Mr. EHLERS [continuing]. I will certainly reduce it. It does take a bit of time because it is a very complex situation. And I happen to know how strongly you feel about education from your years of work in your home state, but also your interest in math and science education. And that is an important part of this, but so is math and science research.

And what complicates the situation was the Omnibus Appropriations Bill we passed last year. I personally think Omnibus Appropriations Bills are an abomination. I voted against them because I have seen what they have done in the past. And precisely the same thing happened this year.



They totally devastated the scientific research budget as well as the math and science education budget simply because, frankly, there is not a great number of people supporting these items, and it was very easy for the appropriators to just take that money and move it into other things.

So we have a situation this year where the President has tried to request a reasonable amount. But at the very least, I think we should make up what we lost in the Omnibus Bill which amounts to roughly \$800 million in Function 250.

And if you also compare that to the "America Competes Act," which the Congress passed last year, which I think is a marvelous step forward in helping us compete with other countries, and to get back on track, we actually need an increase of approximately a billion dollars.

In addition to that, in Function 370, we need some make-up as well.

So my plea really in very simple form is to take the President's request with a grain of salt and say, look, we have to do that plus we have to make up for what was taken out of those accounts last year.

I recall several years ago when the appropriators did the same thing on the previous omnibus bill and we lost a considerable amount of money in math and science. And that money is gone forever because the following year, it was removed from the base and we never made it up.

I think this is a case where should set an example and make up the difference of what we took away last year plus put them back on the doubling track which we have in "America Competes Act." It is a very modest doubling track compared to what we did with NIH a few years ago.

And clearly the National Science Foundation, National Institute of Standards and Technology, and the Department of Energy all deserve to be made whole once again.

We are in a situation where we literally have broken international agreements by failing to fund some of the elements of the Department of Energy Office of Science where, for example, the EDER Project, which is going to be housed in France, but we are working on it with a combination of nations. We have basically taken out our commitment to that and we are altering foreign policy through appropriations. I do not think that was ever intended and we certainly have to correct that.

So rather than take a lot of your time, Mr. Chairman, because I know you personally are in agreement with this, our plea is to make up what was taken away last year by the Omnibus as well as provide the normal increase this year that the President has requested.

I would be happy to answer any questions you have.

[The prepared statement of Vernon J. Ehlers follows:]

PREPARED STATEMENT OF HON. VERNON J. EHLERS, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF MICHIGAN

Thank you, Mr. Chairman, for the opportunity to testify as the Committee considers a fiscal year 2009 Budget Resolution.

As you begin the budget process, I strongly urge you to give high priority to scientific research and development and math and science education in the General

Space, Science and Technology function (250) of the budget. I will focus my comments on two areas covered under this function: the National Science Foundation and the Department of Energy's science programs. I will also address the science and technology portion of the Commerce account within function (370).

#### BACKGROUND

On a bipartisan basis, Congress has recognized that innovation is critical to our national competitiveness and that scientific research and development is the key to increased innovation, economic vitality and national security. I am very appreciative that this committee has been historically supportive of this goal.

Over the last two decades, U.S. investment in research in the physical sciences, mathematics, and engineering has been stagnant when adjusted for inflation. As a percentage of GDP, the U.S. Federal Government has halved its investment in physical science and engineering research since 1970 and OECD recently ranked our nation 22nd in the fraction of GDP devoted to non-defense research.<sup>1</sup> Conversely, the Chinese government has more than doubled its GDP percentage expenditure in R&D since 1995.<sup>2</sup>

Many scientific and economic experts have recently highlighted the status of U.S. innovation and competitiveness in a number of high-profile reports. In response, last year the Congress passed the American COMPETES Act, which focused federal support for research and education. Concurrently, the House and Senate strongly endorsed fundamental research and education in the fiscal year 2008 appropriations bills, but unfortunately, final funding levels passed in the FY08 omnibus bill fell far short of the levels passed by the House. Consequently, the COMPETES Act agencies—including the National Science Foundation (NSF), the National Institutes of Standards and Technology (NIST) and the Department of Energy's Office of Science—are currently foundering with unanticipated shortfalls. I will not list all of the impacts, but more than 500 scientists at the Department of Energy must be laid off, and many projects at NIST and NSF will be postponed indefinitely.

This attitude toward innovation is simply unacceptable. Apathy toward federal investment in science and engineering research will disrupt our nation's economic stability, resulting in a downward slide toward the bottom that may not be reversible. Given the increasing competition from the rest of the world, coupled with the flatness of today's global trade, complacency is a perilous path for the U.S. to take. Despite the challenge of constrained budgets, basic science research funding must not lose out to other priorities, as has happened so often in recent years.

To elucidate the importance of science and technology funding, I would like to share several concerning data points on how our nation is doing, and articulate how the NSF, DOE Office of Science, and NIST are addressing these issues.

#### DEPARTMENT OF ENERGY'S OFFICE OF SCIENCE

America can meet its energy needs only if we make a strong and sustained investment in research in physical science, engineering, and applicable areas of life science, and if we translate advancing scientific knowledge into practice \* \* \* The current mix of energy sources is not sustainable in the long run.<sup>3</sup>

Our country faces a number of challenges related to energy supply, development, and sustainability. The Department of Energy's Office of Science funds 40 percent of all federal basic research investments in the physical sciences as well as 14 percent of investments in mathematics and computing, environmental sciences, and engineering. Research in these areas has led to many new economic and medical advancements including, among others, new energy sources, the Internet, cell phones and laser surgery. To overcome our substantial energy challenges, the Federal Government must continue to support research in alternative energy sources, nanotechnology and supercomputing.

Last year's omnibus was particularly harmful to the Office of Science, providing \$500 million below the request when accounting for earmarks, and has led to layoffs and the delay of many important instruments. The Office of Science is not only important to the future of U.S. science, but also our competitiveness and energy security. I respectfully request that the Committee provide the Office of Science with a budget that reflects the critical role that it plays in maintaining our economic and military pre-eminence.

<sup>1</sup>Augustine, Norman R. 2007. Is America Falling off the Flat Earth? Washington, D.C., NAP

<sup>2</sup><http://www.nsf.gov/statistics/nsf07319/pdf/nsf07319.pdf>

<sup>3</sup>Secretary of Energy's Advisory Board, Task Force on the Future of Science Programs at the Department of Energy. Critical Choices: Science, Energy and Security. Final Report. Washington, DC: US Department of Energy, October 13, 2003. P. 5

## NATIONAL SCIENCE FOUNDATION

In academic year 2003-2004, almost 60 percent of U.S. public secondary schools reported vacancies in mathematics teaching positions, and nearly one third of these found it “very difficult to” or “could not” fill those vacancies. At the same time, almost 60 percent of middle school students are taught math by teachers who do not possess a degree or certificate in the field.<sup>4</sup>

The National Science Foundation is the only federal agency dedicated solely to supporting basic scientific research and education. NSF funding accounts for one-fifth of all federal support for basic research and 40 percent of physical science research at academic institutions. Nearly 90 percent of these awards are made through a competitive, merit-review process that ensures that excellent and innovative research is being supported. Furthermore, NSF consistently receives the highest rating from OMB for the efficiency and excellence of its programs.

Though NSF plays a smaller educational role than other agencies, it serves a unique purpose by conducting educational research that directly benefits science and math classroom instruction. Thanks to coordination between the NSF and Department of Education, many NSF educational research discoveries have been utilized and disseminated to state and local stakeholders by the Department of Education. The COMPETES Act recognized the important role NSF educational programs play in developing strong science and math teachers in the K-12 system by authorizing expanding teacher professional development programs and scholarships for students interested in obtaining degrees in science and math as well as teaching certification.

The NSF’s FY 2009 budget request of \$6.85 billion is a 13 percent increase over FY 2008 appropriations, which provided a less-than-inflationary increase for the Foundation. The NSF budget has been stagnant in recent years, though the COMPETES Act set the agency on a 7-year doubling path. This COMPETES infusion of research funds is extremely necessary for FY 2009 and I ask you to enhance the science allocation accordingly.

## NATIONAL INSTITUTE OF STANDARDS AND TECHNOLOGY

U.S. manufacturing has become more technology-intensive, with the high-technology share of manufacturing industries increasing from 14 percent in 1990 to 24 percent in 2005 amidst rising overall manufacturing revenues. China’s share of high-technology manufacturing has more than quadrupled during the past decade.<sup>5</sup>

The National Institute of Standards and Technology (NIST) is the nation’s oldest federal laboratory, and the only laboratory with the explicitly-stated mission to promote U.S. innovation and industrial competitiveness. NIST provides high-quality, cutting-edge research in a number of scientific and technical fields, and it plays a critical role in keeping our nation competitive.

The President’s FY2009 budget requests \$638 million for NIST. This includes \$535 million for NIST scientific and technical research and services activities, which is \$95.4 million (21.7 percent) more than in FY2008. This total also includes \$99 million for much-needed infrastructure construction and maintenance, which is \$19.8 million (25 percent) more than in FY2008. The request parallels a doubling path for NIST research established by the Administration in 2007.

Although I strongly support the Administration’s commitment to keep NIST’s funding on this doubling path, I am troubled that the President’s budget drastically cuts funding to a number of popular and effective programs at NIST, such as the Manufacturing Extension Partnership (MEP), and the Technology Innovation Program (TIP). Both of these programs were included in the COMPETES Act.

The MEP program helps small and medium-sized manufacturers stay competitive by helping them become more innovative, and the TIP is NIST’s only external research grant program, funding high-risk, high-return technology research and development. Both of these programs run on an efficient cost-shared basis with industry. Without a doubt, these two programs provide invaluable assistance to the sectors of our economy that are currently fighting to stay competitive in the global economy. Both the MEP and TIP have historically had strong, bipartisan Congressional support—and I respectfully ask that this support be reflected in the Budget Committee’s recommendations.

<sup>4</sup>Augustine, Norman R. 2007. *Is America Falling off the Flat Earth?* Washington, D.C., National Academies Press

<sup>5</sup>Science and Engineering Indicators 2008 Figures 6-12 and 6-13

## CONCLUSION

Thank you in advance for your efforts to undertake this important job. While the budget does not spell out exact funding for these programs, I believe that you can send a strong signal about the importance of fundamental science and education to the Appropriations Committee by making function 250 and the science and technology portion of function 370 top priorities in the FY 2009 budget.

Thank you again for allowing me to testify.

Mr. ETHERIDGE. I would say no one has any questions, my good friend, other than to say thank you for your commitment to this because there is no question that for America to compete in this global economy, it is critical that we have additional resources in math and science.

Mr. EHLERS. Yeah. And I can give all the standard arguments. Just yesterday, someone was telling me once again that China is now producing more English speaking engineers than the United States is. And that is true. And that is just one little item, but there is just a host of different issues.

And, frankly, we are losing out in international competition because we are not taking account of these things. We are not pushing either our math and science education or our math and science research efforts and we have to do that if we are going to keep up this international competition.

We have always assumed we are ahead and we have been. Now we are falling behind and we have to catch back up. Thank you very much.

Mr. ETHERIDGE. Thank you, sir.

Our next member to testify is Ms. Carol Shea-Porter. Welcome. We are pleased to receive your testimony. You are recognized for five minutes. And without objection, your full statement will be entered into the record.

**STATEMENT OF HON. CAROL SHEA-PORTER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW HAMPSHIRE**

Ms. SHEA-PORTER. Thank you very much. I appreciate this opportunity to speak about some of the essential needs in my own state and to speak a bit about the President's budget and where I believe we have gone wrong.

The President's proposed budget for fiscal year 2009 reflects a very real difference between the Administration's priorities and the priorities of this Congress and the American people.

Over the past seven years, we have seen record budget deficits, problems and cuts in programs, to programs like the National Institutes of Health and the Centers for Disease Control, a reckless plan to privatize Social Security, and a War in Iraq that has caused this country billions of dollars in money, and eventually could cost more than a trillion dollars, all of this without proper accountability.

Now the Administration has once again put forth a budget proposal that does not adequately reflect the needs of the country. There are so many problems with the President's budget, so many important programs that are under-funded, and so many misplaced priorities.

While I take issue with many of the President's cuts, there is one that I feel is particularly troubling. Mr. Chairman, the LIHEAP Program is one of the most crucial support structures for millions

of people throughout this country. Every winter, tens of thousands of New Hampshire residents, over 40,000 each of the past two years, applied to our Fuel Assistance Program for help with their heating bills.

I do not need to tell you how cold it is in New Hampshire and for low-income families how critical these programs are.

The committed people who work in these programs are working day and night to help these families, but they need help. Even as the price of the oil has skyrocketed, the LIHEAP Program continues to be chronically under-funded, putting a greater burden on American families.

According to the MG Information Administration, the average cost to heat a home with heating oil this winter is expected to climb to over \$2,000 per family, more than three times the \$627 that it cost six years ago.

Meanwhile, the benefit that LIHEAP provides has not only failed to keep pace with this dramatic increase in costs, it has actually dropped.

In the 2006, the New Hampshire Fuel Assistance Program was able to provide an average benefit of \$638 per applicant. In 2007, it dropped to \$533. In 2008, the average benefit might be slightly higher than last year, thanks to Congress' work to increase funding for this program, but it will in no way make up the difference in the increase in oil prices.

For fiscal year 2009, the President has proposed a funding level of \$2 billion to LIHEAP, \$1.7 billion for the grants to states and \$300 million for the emergency contingency funding. This represents a \$570 million reduction in funding from what Congress provided in 2006.

This irresponsible cut in funding will mean that New Hampshire would stand to lose over \$2.5 million in funding.

Mr. Chairman, we cannot allow this to happen. As you begin work on the fiscal year 2009 budget resolution, I urge you to include a robust funding level for LIHEAP Program. Too many people in my state and across the country rely on LIHEAP to keep their heat on.

In this great nation, no family should have to choose between keeping warm or buying groceries. It is just wrong and Congress has its chance to correct this.

Again, there are many other areas in the President's budget that concern me. But as a member of the Armed Services Committee, there is one that I find particularly troubling.

In the President's fiscal year 2009 budget proposal, the Administration estimates savings of over \$1 billion next year in the TRICARE Program. I have raised questions with Secretary Gates on how exactly the Defense Department is projecting savings in their healthcare programs when the cost of providing this care continues to rise.

I have also questioned their assertions that family members and servicemembers will opt out of TRICARE and move towards employer-based coverage when the reality is that fewer employers even offer health insurance.

I am also deeply disturbed by the continuing increases in co-payments, enrollment fees, and deductibles that the Administration is

recommending be imposed on our military families. There are many areas in which the government should be trying to reduce costs, but military healthcare is not a place to cut.

In my capacity as a member of the Armed Services Committee, I will continue to investigate the Defense Department's projected savings and I will fight to ensure that our military families are not saddled with higher costs for their healthcare.

I believe the President and the Administration is playing a shell game with military healthcare costs, shifting costs to our military personnel and projecting savings that cannot materialize.

I urge the Committee to also pay close attention to the Administration's projections in this area and to take whatever steps are necessary to address these inequities.

Again, thank you very much for the opportunity to appear here. I look forward to working with all of you to pass a strong budget resolution that reflects the priorities of our Congress and the American people. Thank you.

[The prepared statement of Carol Shea-Porter follows:]

PREPARED STATEMENT OF HON. CAROL SHEA-PORTER, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEW HAMPSHIRE

Chairman Spratt, Ranking Member Ryan and Members of the Budget Committee, thank you for holding this extremely important hearing today and for the opportunity to raise my concerns with the President's proposed Fiscal Year 2009 Budget before you on behalf of the First Congressional District of New Hampshire.

The President's proposed budget for Fiscal Year 2009 reflects the very real differences between the Administration's priorities and the priorities of this Congress and the American people. Over the past seven years, we have seen record budget deficits, cuts to programs like the National Institutes of Health and the Centers for Disease Control, a reckless plan to privatize Social Security, and a war in Iraq that has cost the country hundreds of billions and perhaps will cost trillions of dollars eventually—much of it without proper accountability. Now, the Administration has once again put forth a budget proposal that does not adequately reflect the needs of the country.

There are so many problems with the President's budget, so many important programs under-funded, and so many misplaced priorities. While I take issue with many of the President's cuts, there is one that I find especially troubling.

Mr. Chairman, the LIHEAP program is one of the most crucial support structures for millions of families throughout the country. Every winter, tens of thousands of New Hampshire residents—over 40,000 each of the past two years—apply to our Fuel Assistance Program for help with their heating bills. The committed people who run this program work long hours to deliver assistance to those who need it most. Even as the price of oil has skyrocketed, the LIHEAP program continues to be chronically under-funded—placing a greater burden on American families.

According to the Energy Information Administration, the average cost to heat a home with heating oil this winter is expected to climb to over \$2,000 per family—more than three times the \$627 that it cost six years ago. Meanwhile, the benefit that LIHEAP provides has not only failed to keep pace with this dramatic increase in cost, it has actually dropped.

In 2006, the New Hampshire Fuel Assistance Program was able to provide an average benefit of \$638 per applicant. In 2007, the average benefit fell to \$533. In 2008, the average benefit may be slightly higher than last year, thanks to Congress' work to increase funding for the program, but it will in no way make up for the increase in oil prices.

For Fiscal Year 2009, the President has proposed a funding level of \$2 billion for LIHEAP—\$1.7 billion for the grants to states and \$300 million for the emergency contingency funding. This represents a \$570 million reduction in funding from what Congress provided for 2008.

This irresponsible cut in funding will mean that New Hampshire would stand to lose over \$2.5 million in funding.

Mr. Chairman, we cannot allow this to happen. As you begin work on the Fiscal Year 2009 Budget Resolution, I urge you to include a robust funding level for the LIHEAP program. Too many people in my state and across this country rely on

LIHEAP to keep their heat on. In our great nation, no family should have to choose between keeping warm and buying groceries.

Again, there are many areas in the President's proposed budget that require this Committee's attention. I would like to take a moment to point to one other area that, as a Member of the Armed Services Committee, I also find particularly troubling.

In the President's Fiscal Year 2009 Budget Proposal, the Administration estimates savings of over \$1 billion next year in the TRICARE program. I have raised questions with Secretary Gates on how exactly the Defense Department is projecting savings in their health care programs, when the cost of providing this care continues to rise. I have also questioned their assertions that service members will opt out of TRICARE, and move more towards employer-provided and other forms of health care coverage, when the reality is that ever fewer employers even offer health insurance.

I am also deeply disturbed by the continuing increases in co-payments, enrollment fees, and deductibles that the Administration is recommending be imposed on our military families. There are many areas in which the government should be trying to reduce costs—but military health care is not one of them.

In my capacity as a Member of the Armed Services Committee, I will continue to investigate the Defense Department's projected savings, and I will fight to ensure that our military families are not saddled with higher costs for their health care. I believe that the Administration is playing a shell-game with military health care costs—shifting costs to our military personnel and projecting savings that will not materialize. I urge the Committee to also pay close attention to the Administration's projections in this area and to take whatever steps necessary to address these inequities.

Again, thank you, Chairman Spratt and Ranking Member Ryan, for the opportunity to share just a few of my concerns with the Administration's proposed budget. I look forward to working with you to pass a strong budget resolution that reflects the priorities of this Congress and the American people.

Thank you.

Mr. ETHERIDGE. Thank the gentle lady for her testimony and the full statement will be entered into the record.

Ms. SHEA-PORTER. Thank you very much.

Mr. ETHERIDGE. Thank you very much.

The next member to testify is the gentleman from New Jersey, Mr. Holt. Welcome. We are pleased to receive your testimony. Without objection, your full statement will be entered into the record. You are recognized for five minutes.

#### **STATEMENT OF HON. RUSH D. HOLT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY**

Mr. HOLT. Thank you, Mr. Chairman. And I do have a longer statement for the record.

I am here to talk about the importance of investment in science, science education, research and development, essentially Function 250, as well as related areas in education.

Norm Augustine, one of the lead authors of the National Academy's report, *Rising Above the Gathering Storm*, said that, "While scientists and engineers represent only four percent of the U.S. workforce, their productivity creates jobs for 96 percent of the population. We are going to see increasingly the need for stimulus packages if we do not invest in basic science. We are not rising above the gathering storm."

Now, there is no denying that America is losing ground in global competitiveness to countries that are making necessary investments in education and research and development.

We should remind ourselves and never forget that we owe our current economic strength and our national security and our quality of life to investments of past generations. Investments that the

Federal Government and the private sector, but in many cases even that with lead from the Federal Government have made in education, in research and development, and in innovation, and investment in these areas ensures that the American people will continue to benefit from the opportunities of a rapidly-growing economy.

These are not just words. This is an alarm. You are hearing about many important things today, housing, assistance in heating for homes of people with low means, transportation, environmental protection, and on and on. But you must take action in this area.

What is the period of projections for this year's budget resolution? I suppose it will be based on a ten-year projection. If you want to be able to fund, if we as a nation or we as a Congress want to be able to fund the work in housing, in transportation, in environmental protection, in low-income heating assistance, and on and on, we had better heed to the investment that is long overdue in research and development.

The Federal Reserve announced at the beginning of February that they reduced their forecast for growth for 2008 to an anemic 1.3 to two percent, that joblessness is likely to climb, .4 percent to over five percent.

Science R&D is not just another interest group. If we are going to do right by our constituents, we must, we must increase dramatically our investment in R&D and, not incidentally, take steps in the Tax Code and in other ways to encourage R&D in the private sector.

In August of last year, the House passed into law a comprehensive competitiveness package that was known as America Competes and it was motivated by disturbing findings of the Rising Above the Gathering Storm report that our nation is drastically under-investing in engineering and physical sciences.

The bill authorized doubling the funding for the Department of Energy, the Office of Science in the Department, for the National Science Foundation. This is not asking too much. It would be a modest response to a large problem.

As I said a few moments ago, we will pass stimulus package after stimulus package in the future if we do not make these investments now.

Unfortunately, the fiscal year 2008 budget fell far short of this goal. NSF received a two and a half percent increase, far short of the eight to ten percent increase that was provided in the earlier versions of the appropriations bills. And DOE's Office of Science did not fare much better.

Without taking a drastically different approach in this cycle, Congress will be delivering a devastating blow to future economic security and competitiveness.

[The prepared statement of Rush Holt follows:]

PREPARED STATEMENT OF HON. RUSH HOLT, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Thank you Chairman Spratt, Ranking Member Ryan, and distinguished Members of the Committee on the Budget. I appreciate the opportunity to provide testimony on funding levels for science and science education in the FY 2009 Budget.

Norman Augustine, one of the lead authors of the National Academies' report Rising above the Gathering Storm recently was quoted as saying "While scientists and



engineers represent only four percent of the U.S. workforce, their productivity creates jobs for 96 percent of the population. We are going to increasingly see the need for stimulus packages if we don't invest in basic science. We're not rising above the gathering storm."

There is no denying that America is losing ground in global competitiveness to countries that are making the necessary investments in education and R&D. We owe our current economic strength, our national security, and quality standard of living to the investments of past generations, however the Federal Government has not been living up to our responsibility to continue this investment and robustly fund education, research and development and innovation. Investment in these areas ensures that the American people will continue to benefit from the opportunities of the rapidly growing global economy and its inherent foundation in science and technology.

These are not just words. This is an alarm. I am asking you for action. We are feeling the ripples of our lack of investment in a very real and painful way. The Federal Reserve announced at the beginning of February that they reduced forecast for growth for 2008 to an anemic pace of 1.3 to 2 percent and that joblessness is likely to climb 0.4 percent to 5.3 percent. On the same day the Department of Labor announced that consumer prices jumped 4.3 percent in January, and that inflation was up to 2.5 percent. Last month, this body passed an economic stimulus package to help revive our stagnating economy. That bill was only a short term solution, if we are to ensure our long term economic stability we need to invest in the long term, and that requires investing in science, education, and R&D. Science R&D is not just another interest group. If we are to do right by our constituents we must—must—increase dramatically our investment in R&D, and not incidentally we must take these steps in the tax code and in other ways to encourage R&D in the private sector.

#### DETRIMENTAL PAST FUNDING

In August of 2007, this body passed into law a comprehensive competitiveness package in the "America COMPETES Act" which was based on disturbing findings of the aforementioned report, Rising above the Gathering Storm, that our nation is drastically under investing in engineering and the physical sciences. This bill authorized doubling the funding for the Department of Energy's (DoE) Office of Science and the National Science Foundation (NSF) by 2016. This is not too much. It would be a modest response to a large problem. Unfortunately, the fiscal year 2008 budget fell far short of this goal. NSF received a mere 2.5 percent increase, far short of the 8 to 10 percent increase that was provided in earlier versions of the appropriations bills, and the DoE's Office of Science received 5.8 percent increase, far less than the 15 to 18 percent increase in earlier versions of these bills. Without taking a drastically different approach this cycle Congress will be delivering a devastating blow to our future economic security and competitiveness.

#### IMPORTANT INCREASES

President Bush's budget request honors the promise of the American Competitiveness Initiative (ACI), by requesting \$12.2 billion in the 2009 budget for the three ACI agencies; NSF, the DOE Office of Science, and the National Institute of Standards and Technology (NIST) laboratories, a 15 percent increase over this years funding. The NSF budget of \$6.9 billion would be a 14 percent increase, with increases approaching 20 percent for the Mathematical and Physical Sciences (MPS), engineering and computer science directorates and smaller increases for non-physical sciences directorates. DOE's Office of Science request for \$4.7 billion would be a 19 percent increase restoring funding for the International Thermonuclear Experimental Reactor (ITER), physics, and other basic research projects hard hit by the 2008 appropriation. The NIST labs would receive a large increase, though at the cost of proposed eliminations of NIST's external programs.

Additionally, the 2009 budget request proposes a record investment in R&D of \$145.4 billion, a \$4.6 billion or 3.3 percent increase above this year's level. Once we pass the inevitable 2008 and 2009 war supplementals it is likely that this level will rise even higher. However, despite these increases the President's request is devastating to other programs which are essential to promoting the goals of the ACI and the America COMPETES Act.

#### MISPLACED PRIORITIES

Despite the proposed increases in physical sciences and related research at NSF, DOE's Office of Science, and NIST, the President's request dramatically reduces the budget of other essential research programs. The National Institutes of Health pro-

posed funding is flat at 28.5 billion and R&D funding for essential agriculture and environmental agencies would be cut drastically. As a result, federal support for both basic and applied research will fall 0.5 percent or \$282 million from last year's budget. In real dollars, the federal research portfolio would be decreased by 9.4 percent from the peak levels in 2004.

#### EDUCATION

Nearly fifty years ago, Americans were shocked when the Soviets launched the first man-made satellite into space. A few years later, President Kennedy responded by challenging the Congress—and the country—to put the first man on the moon by the end of the 1960s. What followed was an unprecedented federal investment in education, with a focus on math and science, investments in research and development, and the establishment of NASA. And just over a decade later, America landed the first man on the moon, a feat not yet achieved by the Russians or anyone else.

Mr. Chairman, the evidence is plentiful that since this “Sputnik moment,” our commitment to supporting scientific and technological research and development has waned. Our economy faces new challenges from emerging powers whose students outperform our own, and who produce vastly more graduates in the science, technology, engineering, and mathematics (STEM) fields. We must do more to support the education of prospective undergraduates and graduate students who are seeking to enter the STEM fields.

Prospective undergraduates need better access to the promise of a technical college education. Graduate programs must be made more appealing by improved quantity and quality of fellowship support. Postdoctoral fellowships, which constitute an increasingly long phase of a scientist's career, are not competitive with salaries made by the average college graduate, while requiring an extreme degree of individual geographic flexibility. With wildly fluctuating federal support of competitive grants and national labs, even the final phase of a government or academic scientific career is unstable and therefore much less appealing than we need to be the case. To achieve the best of our national potential, we must do a far better job of overcoming individuals' social and financial barriers to entry to the sciences, and must provide far more stability and reward at every phase in the process.

#### EDUCATION AND SCIENCE

Mr. Chairman, last month in time magazine there was an article published in Time Magazine called “Memo to Smart Kids: Do Not Go into Science.” In this article Sharon Begley outlined how last years \$300 million cut from the President's proposed 2008 budget request for NSF, and the \$59 million cut from the proposed budget to NIST, and the serious blow delivered to the zeroed out ITER and to the high energy physics budget are causing real job losses. For example, the DOE office of Physics Lab Fermilab is laying off 125 people after the DOE ceases funding the PEP-II collider as SLAC this Sunday. Additionally, all employees at the lab will be required to take 2 to 3 days of unpaid leave a month to keep the lab afloat. One problem is clear: unless we fund science research students will not enter into a field where there is a lack of future jobs. America needs scientists to be able to compete in the global economy. It is critically important that we support education and R&D more thoroughly and more consistently, and we have the opportunity to do that as we review the President's proposal. Congress can and must meet the challenge presented by the ill-advised cutbacks hiding behind the largely commendable flagship projects of the proposed FY 2009 budget.

Mr. ETHERIDGE. And I thank the gentleman and thank you for your commitment to the future of this country because science is really where it is. Thank you.

Mr. HOLT. I thank the Chairman. I thank the Committee.

Mr. ETHERIDGE. Thank you, sir.

The next member to testify is the gentle lady from Ohio, Ms. Sutton. Welcome. We are pleased to receive your testimony. You are recognized for five minutes. And without objection, your full statement will be entered into the record.

**STATEMENT OF HON. BETTY SUTTON, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF OHIO**

Ms. SUTTON. Thank you, Mr. Chairman, for the opportunity to testify before you today. I am very proud to have served on this Committee last year and I am pleased to join you once again to speak on the budget issues of importance to Ohio's 13th District.

The budget is a moral document. It is a statement of the values of our nation. It is the clearest way to see where our government's true priorities lie. That is why I am very concerned about the message that the President's budget sends to the American people. It does not invest in the most important long-term priorities in the country. It instead places a premium on investment in the short-term interests of a few.

At a time when working families are facing skyrocketing energy, healthcare, and education costs, the President's budget would cut critical programs that can help Americans through these tough economic times.

Today I would like to discuss a few of those programs which are vital to the people I represent in Ohio.

First, infrastructure. The state of the nation's crumbling infrastructure was demonstrated in the most dramatic fashion possible when the I-35 Bridge in Minneapolis collapsed into the Mississippi River last August.

In the face of overwhelming evidence of the need for increased investment in our infrastructure, the Bush Administration continues nonetheless to pursue an open-ended policy in Iraq while badly shortchanging infrastructure investments at home.

Tackling the repair of our nation's infrastructure is not a glamorous task, but it is absolutely essential for our nation's long-term success.

The Minnesota bridge collapse and Hurricane Katrina are vivid reminders that these considerations are not theoretical. Investments in infrastructure are not just critical for public safety, but they also bring a significant boost to local economies and provide more Americans with good-paying jobs.

The President's proposed funding levels are fully a billion dollars below the levels guaranteed by SAFETEA-LU. The Budget Committee should reject this funding level and renew our commitment to improving our national infrastructure.

Second, first responders. I would also urge the Budget Committee to reject the cuts the President has made to grants to local law enforcement and fire departments. Although the President has repeatedly stressed the importance of homeland security, he has left our first responders without funds that are critically important to the work that they do in our communities every single day.

Firefighters in my district depend on assistance in firefighter grants which are used for equipment, training, and other projects to ensure they have everything they need to keep our families and neighborhoods safe.

The President's proposed funding levels would eliminate over \$24 million in fire grants for the State of Ohio which would result in 267 fewer grants awarded.

He also eliminated formula funding for the Byrne Memorial Justice Assistance Grants which would result in a 122 fewer police officers funded in Ohio.

Our first responders are out in the communities every day and have made a commitment to protecting our communities from harm. We in Congress must also make that commitment to our first responders to ensure that they have the resources they need to continue their critical work.

Research and development. In order for the United States to continue at the forefront of innovation and technology, we must continue to support research and development. That these investments generate significant returns is abundantly clear and not only will they result in advances in our scientific understanding, they generate new jobs and help fuel our local economies.

The University of Akron, for example, is a world leader in polymer research and the effect this research center has had on Akron's economy has been profound.

I encourage the Committee to include robust funding for research and development in this year's budget.

Green jobs. In addition this year, we have the opportunity to fund a newly-authorized program that will help reinvest in American manufacturing such as at the Avon Lake floor plant in my district and help create green jobs.

This past December, we authorized the Advanced Technology Vehicles Manufacturing Incentive Program which will be administered by the Department of Energy. This program will provide low-cost loans to automobile manufacturers to make substantial investments in their factories here in the United States.

By funding this program, auto companies will have low-interest loans available to invest in engineering, component production, and retooling of existing factories to manufacture new advanced technology vehicles such as hybrids, plug-in hybrids, advanced diesel, and fuel cell cars.

And, finally, our veterans. We must always remember that the full measure of what we owe our veterans does not end after they leave the battlefield. Our responsibility extends to what we provide for our soldiers once they return home.

The President's budget does not provide adequately for the care of our veterans, providing \$20 billion less than what is necessary to merely maintain its current purchasing power.

It is unacceptable for the President to attempt to impose new fees on our veterans even though they have been overwhelmingly rejected many times before.

I am proud to say that I served on this Committee when we passed the largest increase in VA funding in American history. I urge the Budget Committee to continue its commitment to helping those who have fought so bravely and sacrificed in ways that so many of us can never fully appreciate.

I thank you, Mr. Chairman.

[The prepared statement of Betty Sutton follows:]

PREPARED STATEMENT OF HON. BETTY SUTTON, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF OHIO

Thank you for the opportunity to testify before you today. I am very proud to have served on this Committee last year, and I'm pleased to join you once again to speak on budget issues of importance to Ohio's 13th District.

The budget is a moral document. It is a statement of the values of our nation. It is the clearest way to see where a government's true priorities lie.

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At a time when working families are facing skyrocketing energy, health care, and education costs, the President's Budget would cut critical programs that can help Americans through these tough economic times.

Today I would like to discuss a few of these programs, which are vital to the people I represent in Ohio.

#### INFRASTRUCTURE

The state of the nation's crumbling infrastructure was demonstrated in the most dramatic fashion possible, when the I-35 bridge in Minneapolis collapsed into the Mississippi River last August.

In the face of overwhelming evidence of the need for increased investment in our infrastructure, the Bush Administration continues to pour money into rebuilding Iraq, while badly shortchanging infrastructure investments at home.

Tackling the repair of our nation's infrastructure is not a glamorous task, but it is absolutely essential for our nation's long-term success. The Minnesota bridge collapse and Hurricane Katrina are vivid reminders that these considerations are not theoretical.

Investments in infrastructure are not just critical for public safety, but they also bring a significant boost to local economies and provide more Americans with good paying jobs.

The President's proposed funding levels for SAFETEA-LU are a full \$800 million below Congressionally authorized levels. The Budget Committee should reject this funding level and renew our commitment to improving our national infrastructure.

#### FIRST RESPONDERS

I would also urge the Budget Committee to reject the cuts the President has made to grants to local law enforcement and fire departments.

Although the President has repeatedly stressed the importance of homeland security, he has left our first responders without funds that are critically important to the work they do in our communities every single day.

Firefighters in my district depend on Assistance to Firefighter Grants, which are used for equipment, training, and other projects to ensure they have everything they need to keep our families and neighborhoods safe.

The President's proposed funding levels would eliminate over \$24 million in Fire Grants for the state of Ohio, which could result in 267 fewer grants awarded.

He also eliminated formula funding for the Byrne Memorial Justice Assistance Grants, which would result in 122 fewer police officers funded in Ohio.

Our first responders are out in our communities every day and have made a commitment to protecting our communities from harm. We in Congress must also make a commitment to our first responders, to ensure they have the resources they need to continue their critical work.

#### RESEARCH AND DEVELOPMENT

In order for the United States to continue at the forefront of innovation and technology, we must continue to support research and development.

That these investments generate significant returns is abundantly clear, and not only will they result in advances in our scientific understanding, they will generate new jobs and help fuel our local economies. The University of Akron, for example, is a world leader in polymer research, and the effect this research center has had on the Akron economy has been profound.

I would encourage the committee to include robust funding for research and development in this year's budget.

## GREEN JOBS

In addition, this year, we have the opportunity to fund a newly authorized program that will help reinvest in American manufacturing, such as at the Avon Lake Ford Plant in my district, and help create Green jobs.

This past December, we authorized the Advanced Technology Vehicles Manufacturing Incentive Program, which will be administered by the Department of Energy.

This program will provide low-cost loans to automobile manufacturers to make substantial investments in their factories here in the United States. By funding this program, auto companies will have low-interest loans available to invest in engineering, component production and the retooling of existing factories to manufacture new, advanced technology vehicles such as hybrids, plug-in hybrids, advanced diesel and fuel cell cars.

## VETERANS

We must always remember that the full measure of what we owe our veterans does not end after they leave the battlefield—our responsibility extends to what we provide for our soldiers once they return home.

The President's Budget does not provide adequately for the care of our veterans, providing \$20 billion less than what is necessary to merely maintain its current purchasing power. It is unacceptable for the President to attempt to impose new fees on our veterans even though they have been overwhelmingly rejected many times before.

I am proud to say that I served on this Committee when we passed the largest increase in VA funding in American history. I urge the Budget Committee to continue its commitment to helping those who have fought so bravely and sacrificed in ways that many of us can never fully appreciate.

## COMMUNITY DEVELOPMENT BLOCK GRANT

Finally, I would strongly urge the Budget Committee to reject the proposed cuts to the Community Development Block Grant. I cannot overemphasize the positive impact that CDBG has made on my district.

With the foreclosure crisis driving many of my constituents out of their homes, and with so many Ohioans losing their jobs in recent years, CDBG provides funds to state and local organizations to address these difficulties. It has created tens of thousands of jobs across the country, assisted families in finding affordable housing, and has been a catalyst for economic development.

A loss of nearly \$30 million of these funds would deprive my district of funds that are critical for helping us move forward. It would be irresponsible to cut these programs that are intended to assist families who currently have the greatest need.

When the Bush Budget arrived in Congress earlier this month, it was characterized as "dead on arrival." And that's because we have all recognized that President Bush is not listening to the American people. He has demonstrated a callous indifference to the needs of working class Americans that we must reject.

I am proud to have served on the Budget Committee last year, when we passed a budget that made needed investments into our nation's highest priorities, with a long term view toward the future.

I know that it is difficult to balance the many competing priorities before the Committee. However, I urge you to keep the needs of working families in mind as you make your decisions. We cannot afford to turn our backs on them during these difficult economic times.

Thank you for the opportunity to appear before you today.

Mr. ETHERIDGE. Thank you for your testimony. We appreciate it very much.

The next member to testify is the gentleman from Illinois, Mr. Davis. Let me welcome you. We are pleased to receive your testimony. You are recognized for five minutes. And without objection, your full testimony will be entered into the record.

**STATEMENT OF HON. DANNY K. DAVIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF ILLINOIS**

Mr. DAVIS OF ILLINOIS. Thank you very much, Mr. Chairman. Mr. Chairman, I want to thank you and members of the Committee for the opportunity to testify on the President's 2009 budget.

I have written testimony that has been submitted along with the recommendations for an alternative budget to the Committee and today would like to speak about two issues that I think reveal a dysfunctional budget that not only increases the deficit but also robs Peter to pay Paul.

Indeed, amidst a climate of record decreases in hourly wages, job loss, prolonged unemployment, foreclosures, and high fuel prices, the Administration's fiscal year 2009 budget proposal fails to meet head on socioeconomic trends and foremost the humanitarian needs of your citizens.

For example, within the Department of Labor, the President proposes to consolidate workforce investment, WIA, adult dislocated workers and youth employment services programs, work opportunity tax credits, and workforce information electronic tool system building, into a single funding stream to states for career advancement accounts towards the attainment of self-directed accounts whereby individuals receive \$6,000 over a two-year period.

Under the auspices of streamlining and creating efficiency, there is a funding reduction of over \$300 million compared to fiscal year 2008's combined current program totals.

In today's economic climate, these monies are best served under current programs and will provide skills and training vital to securing substantial employment and foremost medical coverage. This pattern continues with the merging of WIA's Prisoner Reentry Initiative, PRI, and Responsible Reintegration for Young Offenders funded into WIA's Reintegration of Ex-Offenders, a single consolidated program for adult and juvenile ex-offenders.

However, unlike the aforementioned consolidation, PRI Grant funds will be completed in fiscal year 2009 and there will be no RRYO activity in fiscal year 2009.

At the same time, the Administration has reduced WIA Reintegration of Ex-Offenders 2009 funding by 50 percent down to \$39,600,000 from fiscal year 2008's 73,000,493.

Collectively these cuts strike the hearts of communities across America, particularly faith and community-based service providers who historically and continue to be on the front line providing much needed wrap-around service.

Struggling state and local governments will continue to bear the cost of reducing recidivism and creating safer communities. Moreover, faith and community-based reentry program's ability to provide much needed jobs will be substantially diminished.

In the area of Medicare and Medicaid, I oppose the Administration's \$195 billion cut in services over five years because it threatens to endanger 1.6 million Medicare and 1.9 million Medicaid patients in Illinois alone.

And while Congress has placed a one-year moratorium on Rule 2261, redefining Medicaid reimbursement of rehabilitative services and a rule disallowing Medicaid payments to public hospitals from graduate and medical education, it is important to note that the collective outcome of proposed budget cuts and pending moratoriums will be devastating.

If the moratorium is not extended, the public hospital proposed rule will go into effect on May 25th, 2008, and the GME rule will go into effect sometime this summer.

Again, Mr. Chairman, I think that these will have devastating impacts on the ability of large numbers of individuals to receive health and medical care throughout America, and I thank you for the opportunity to testify and look forward to the revamping of this budget.

[The prepared statement of Danny K. Davis follows:]

PREPARED STATEMENT OF HON. DANNY K. DAVIS, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF ILLINOIS

I'd like to begin by thanking Chairman Spratt, Ranking Member Ryan and members of the Subcommittee for holding today's hearing on President Bush's proposed FY '09 Budget. Since February 4, 2008, Members of the 110th Congress have been charged with the daunting task of scrutinizing and interpreting the potential affects of the budget on the country at large and constituents within our respective districts. I yield that this has been no small feat considering the current deficit, as well as cuts in funding and services to which Americans have been subjected over the past seven years and counting. Once again we've been summoned to renew a dysfunctional budget that fails to meet head-on socioeconomic trends and foremost the humanitarian needs of U.S. citizens.

Indeed, amidst a climate of record decreases in hourly wages, job loss, prolonged unemployment, foreclosures and high fuel prices the Administration is "Robbing Peter to Pay Paul". As evidence by the Joint Economic Committee state-by-state breakdown of budgetary affects on the State of Illinois:

- Critical housing programs are being cut by President Bush again. President Bush's FY 2009 budget again cuts federal housing programs, despite widespread recognition that the U.S. economy is facing a housing crisis. Bush's budget cuts to public housing and rental assistance programs would eliminate critical assistance for those who have been disproportionately impacted by the subprime housing crisis—lower income families, the elderly, and minorities—compounding the deep funding cuts of the previous six years. Under the President's budget proposal, the public housing capital fund would be cut by \$415 million from 2008, depriving Illinois of \$29.8 million in necessary funding to keep its public housing stock a viable option for families that have lost their homes to foreclosure. At the same time, President Bush has proposed a \$740 million cut nationwide in the successful HUD Section 8 voucher program; as a result, 5,400 families could lose their homes in Illinois. These programs will be critical in alleviating the hardships caused by the housing crisis, but the Bush administration again appears blithely ignorant to the reality facing American families. [President Bush's Budget, FY2009; Federal Funds Information for States Database; National League of Cities; Center for Budget and Policy Priorities.]

- Huge cuts will endanger access to quality care for Illinois's 1.6 million Medicare and 1.9 million Medicaid beneficiaries. The Administration's budget includes \$195 billion in cuts over five years to Medicare and Medicaid that threaten to endanger Illinois's 1.6 million Medicare and 1.9 million Medicaid patients' access to the care they need to lead healthy, independent lives. Under the President's plan, \$178 billion would be cut from Medicare and \$17 billion from Medicaid over five years. These cuts would be achieved by reducing reimbursements to health care providers and charging higher premiums based on income for Medicare beneficiaries for coverage of prescription drugs and doctors' services. [Kaiser Family Foundation, State Health Facts, March 2006 and December 2006; President Bush's Budget, FY2009; Department of Health and Human Services.]

- Steep cuts to health programs will jeopardize the well-being of Illinois residents. The President's budget would slash discretionary spending for government health resources and services by \$982 million, in addition to \$378 million in cuts to the Centers for Disease Control and Prevention. These cuts would jeopardize the health of millions nationwide who are suffering from life-threatening diseases and depend on these programs to fund life saving research projects. They include 60,000 people living with invasive cancer in Illinois and the 8 percent of Illinois adults who have been diagnosed with diabetes. [President Bush's Budget, FY2009; Kaiser Family Foundation, State Health Facts 2003 and 2005.]

- Despite dismal job growth in 2007, the Administration still proposes \$7.3 million in cuts for adult employment and training services in Illinois. The President's budget proposes cutting funding for adult employment and training services by nearly \$150 million nationwide at a time when the U.S. workforce has experienced the worst job growth in over 4 years. If these cuts stand, Illinois's One-Stop Career System would lose \$7.3 million. These cuts would likely force the suspension of



workforce preparation and talent development services at a time when rapid changes in the economy make such programs more important than ever for Illinois workers. Moreover, the Administration's refusal to extend unemployment insurance means 1.4 million workers nationwide who have already exhausted their 26 weeks of unemployment insurance will be unable to get additional assistance. [President Bush's Budget, FY2009; Federal Funds Information for States Database; U.S. Department of Labor, Bureau of Labor Statistics, January Employment Report.]

- Administration's budget fails college students in educational grants, even as Illinois's tuition has risen 24 percent in four years. In 2007, Democrats fought to save critical college aid programs like the Supplemental Educational Opportunity Grants (SEOG) program, but once again the President's budget completely eliminates the program. Illinois would lose \$37.9 million in SEOG grants in 2009. As average tuition and fees at 4-year public schools in Illinois increased 24 percent in just four years, the Administration's cuts in student aid would put college further out of reach for many Illinois students. [President Bush's Budget, FY2009; U.S. Department of Education; Fiscal Year 2001-2008 State Tables for the U.S. Department of Education; U.S. Department of Education, Institute of Education Sciences, Digest of Education Statistics, "Average undergraduate tuition and fees and room and board rates charged for full-time students in degree-granting institutions, by type and control of institution and state or jurisdiction," 2001-2002 and 2005-2006.]

- Illinois's LIHEAP funding cut by President yet again. The President's FY 2009 budget calls for a 22 percent cut in the overall funding for the Low-Income Home Energy Assistance Program (LIHEAP) from 2008. LIHEAP helps America's lowest-income families afford to cool their homes in the summer and heat their homes in the winter. It is especially important to families with elderly persons and very young children. This year's budget would slash Illinois's LIHEAP funding, leaving it up to the Congress once again to ensure that Illinois's families can afford to cool and heat their homes. [President Bush FY2009 Budget; Federal Funds Information for States Database; U.S. Department of Health and Human Services, Administration for Children and Families.]

- Programs to keep Illinois's neighborhoods safe zeroed out by Bush. The President's budget again assaults two of Illinois's local crime fighting tools—the Community Oriented Policing Service (COPS) program and Justice Assistance Grants (JAG). COPS helps Illinois's law enforcement agencies hire police officers, enhance crime fighting technology, and support crime prevention initiatives, while JAG supports state and local drug task forces, community crime prevention programs, and prosecution initiatives. Last year, Illinois received \$4.1 million in JAG funding and \$9.6 million in COPS funding to keep neighborhoods safer for Illinois families in FY 2007. Illinois would receive no funding under President Bush's 2009 budget proposal. [President Bush FY2009 Budget; Federal Funds Information for States Database; U.S. Department of Justice, COPS Office.]

- Another round of cuts to community investments could slow economic development in Illinois. Year after year, Democrats have been called on to defend the Community Development Block Grant (CDBG) program, which is once again on the President's chopping block. The CDBG program is a signature program for Illinois's cities, counties and local communities to create jobs, spur economic development and small business opportunities, and expand homeownership. Illinois's CDBG funding in the President's budget represents a decrease of \$31.5 million from its 2008 funding level of \$171.5 million. By cutting CDBG, the President's budget would undermine the economic well-being of Illinois's communities. [President Bush's Budget, FY2009; Federal Funds Information for States Database; National League of Cities.]

- President calls for elimination of grants to fight poverty. President Bush's budget would eliminate the Community Services Block Grant program which provides critical funding for state, local, and tribal poverty programs. Last year, this grant provided a total of \$654 million in crucial funding for education, employment, housing, and health programs serving Illinois's 1.4 million residents living in poverty. Last year, Illinois received \$30.9 million in federal funding to combat poverty. Under the President's budget, Illinois would receive no funding for this program. At the same time, his budget would slash spending on Temporary Assistance to Needy Families, which provides a wide range of benefits and services to low income families with children, by \$340 million nationwide. [President Bush's Budget, FY2009; Federal Funds Information for States Database; U.S. Department of Commerce, Census Bureau, Income, Poverty and Health Insurance Coverage in the United States: 2006 report.]

- President Bush shorts Illinois funding for environmental protection programs, even as dangers become more apparent. It is no secret that President Bush has consistently downplayed, ignored or even scoffed at the scientific consensus that has emerged with respect to the dangers posed by catastrophic global climate change.

In keeping with his head-in-the-sand views, the President's budget aims to cut vital funding for the Environmental Protection Agency, including a cut to funding available for Illinois promised under the Clean Air Act. For FY2009, the President aims to reduce this program's funding levels by \$23 million, a potential 7.5 percent decrease in funding for Illinois to combat air pollution and the hazards resulting from climate change. This marks a consistent trend for the Administration, which has been slowly whittling away at federal support for environmental protections since 2004. [President Bush's Budget, FY2009.] Cuts federal housing programs, in spite of current housing crisis;

It goes without saying that the net affects of the Administration's proposed 2009 budget will not only result in utter devastation for the states like Illinois, but also the country at-large with a current deficit of \$410 billion (the second largest in history). Moreover overly optimistic economic assumptions that mask the full fiscal effects of underlying policies underestimates the impact of Alternative Minimum Tax (AMT) reform, ongoing Iraq and Afghanistan war costs and associated services.

It's with this in mind that I'm here today to testify on the behalf of the ex-offender's population including approximately 400,000 mothers and fathers (being released each year) struggling to make a fresh start and at risk of losing access to reentry programs with job training and placement services necessary to ensure successful reentry. Moreover Illinois hospitals, medical centers and Chicago Public School (CPS) that provide quality healthcare and are at risk of losing Medicare subsidies to service low-and moderate-income working families living from paycheck-to-check trying to make ends meet.

#### FUNCTION 500: DEPARTMENT OF LABOR TRAINING & EMPLOYMENT

##### *Career Advancement Accounts:*

The President's 2009 legislative proposal plans to consolidate funding from WIA Adult (\$712,000), Dislocated Worker (\$1,223,823), and Youth (\$840,500), and Employment Service programs; Work Opportunity Tax Credit (WOTC:\$17,677); and the Workforce Information-Electronic Tools-System Building (\$32,000) into a single funding stream to states for Career Advancement Accounts (CAA: \$2,826,000). CAAs are self-directed accounts of up to \$6,000 over two years that would be available to adults and out-of-school youth entering or re-entering the workforce, transitioning between jobs, incumbent workers in need of new skills to remain employed or to move up the career ladder."

The rationale for this request and the Administration's proposed "Workforce Investment Act Amendments of 2007" is that Federal job training dollars should be put in the hands of the individuals in need of assistance, by replacing the current silo system of separate training programs serving different populations with a single state grant for the provision of employment and training services. While I'm receptive to the Administration's attempt to strengthen "One-Stop System" by reducing duplication and increasing efficiency initiative, I cannot support streamlining processes that results in over \$300 million (10.0%) reduction in funding. These funds would be best served within current law discretionary budgetary line items towards the continuance of:

- More comprehensive assessments, development of individual employment plans, and career guidance and planning;
- "Training" services, which are linked to employment in demand, including occupational training, skills upgrading, and adult literacy training; and
- Workforce investment services to individuals who have lost their jobs, including those dislocated as a result of plant closings or mass layoffs; formerly self-employed individuals; and displaced homemakers who have been dependent on the income of another family member, but are no longer supported by that income.

Alternative budgetary recommendations: As such, I oppose the Administration's FY 2009 legislation proposal to consolidate (streamline) programs and the creation of CAAs. Therefore, I recommend flat line from 2008 plus inflation to WIA's Adult, Dislocated Worker, Youth training and employment service programs; WOTC; and Workforce Information-Electronic Tools-System Building current law line items.

##### *WIA Competitive Grants: Ex-Offender Activities:*

In FY 2008, the Department proposed to merge funding for the Prisoner Reentry Initiative (PRI) and the Responsible Reintegration for Young Offenders (RRYO) into "Reintegration of Ex-offenders" a single, consolidated program that serves adult and juvenile ex-offenders and strengthens communities by reducing recidivism. At the same time PRI grants funded in FY 2006 and FY 2007 will be completed by FY 2009. Per the Administration's FY 2008 proposal, there will be no new RRYO activity in FY 2009. In short, these programs are being phased out through consolidation

and replaced by a single program approach with a proposed budget of \$39,600 million, a 50% decrease from FY 2008 enacted budget of \$73,493. Moreover, collectively, discontinued programs (funding) and reduction in current funding decreases the number of adult and youths offenders being serviced in FY '09 by 46%, a 7,949 decrease in participants being serviced in FY 2008.

For the past six years there has been an overall funding cut of over 40% and the administration is now proposing to eliminate what remains of the federal commitment to a focused and dedicated system of federal funding. The latter is self-evident by discontinued PRI and RRYO seed monies to faith and community-based organizations that have historically and continues to be on the frontline providing much needed wraparound services. These cost will be passed on to state/local governments struggling budgetary economic as well as compromising faith and community-based reentry programs ability to provide much needed jobs, housing, and substance abuse/mental health. Significantly, without these vital services, two out of three ex-offenders will be rearrested for new crimes within the first three years after their release and youthful offenders are even more likely to re-offend.

Alternative budgetary recommendations: For a re-entry program to succeed, four areas identified by the Re-entry Policy Council should be addressed: coordinated planning, public-safety and restorative activities, supportive health and housing services, and work-force development and employment opportunities. Proposed FY 2009 reduction in WIA's Reintegration of Ex-offenders undermines work-force development and employment opportunities, a vital component of successful reentry programs. Therefore, I recommend a flat line from FY 2008 enacted \$73,493 plus an inflation increase.

*Function 570:*

Cook County's total public healthcare system serves approximately 330,000 patients annually. This includes its Emergency Rooms (ERs), urgent care, ambulatory care and screening, pediatric and trauma care. Specifically:

- The County serves about 640,000 patients in its 13 outpatient clinics;
- Cermak (the prison health facility) treats, on average, 100,000 patients requiring health and mental healthcare;
- Stroger Hospital has an average daily inpatient census of approximately 325 patients with a total of approximately 190,000 annual visits that include ER and adult and pediatric urgent care;
- Oakforest Hospital sees about 30,000 patients in its ER annually with an average daily inpatient census of about 65 patients;
- Provident Hospital sees about 50,000 patients in its ER and has an average daily inpatient census of about 65-70 patients;
- The CORE Center is a state-of-the-art HIV/AIDS outpatient center that see 1 out of every 3 HIV/AIDS patients in Cook County and 1 out of 5 HIV/AIDS patients in the entire state.

The President's budget continues to include major reductions to Medicaid through regulations without going through Congress to make substantial changes to the program and methods of Medicaid payments to public hospitals to offset their costs of servicing the uninsured. The cuts that would result from the implementation of these rules are unprecedented and would likely take down most public health systems across the country.

Significantly, Congress has placed a one-year moratorium on two regulations last year. First, CMS proposed rule 2261 redefines Medicaid reimbursable rehabilitative services, among other things, excludes from Medicaid reimbursement the rehabilitative services that are "intrinsic elements of programs other than Medicaid, such as \* \* \* education." The failure to define "intrinsic elements", as used in the proposed rule, provides CMS the discretion (leverage) to eliminate all Medicaid reimbursement for rehabilitative services and administrative activities provide in a school setting. Second a rule disallowing Medicaid payments to public hospitals from Graduate Medical Education (GME). Collectively, these rules will significantly cut Medicaid payments to Cook County by at least \$100 million.

By all accounts, CMS proposed changes and cost containments will chop away Medicaid for low-income Americans as we know it today. More broadly, proposed reductions will create reimbursements disincentives for schools' to provide wrap-around services, as well as compromise alliances between schools, social service agencies, hospitals and clinics. Above all, the health of children across America, a prerequisite to success in school as measured in No Child Left Behind goals.

Under the auspices of "cost containment", CMS regulatory actions contradict the administration's pledge to leave no child behind, put the poor first, and above all, ensure homeland security. Cited proposed Medicaid regulatory actions and reductions will have devastating effects. Indeed, CMS is calling for new regulatory with

dramatic limitations in defining activities, which will result in cut backs on federal matching for a range of health services including:

- Administrative activities associated with Medicaid outreach to children; helping with Medicaid eligibility determination and enrollment of children and referral, coordination and monitoring of medical services to children;
- Reimbursements of “all” transportation, including specialized transportation with special breathing apparatus or special attendant for a child with seizure disorders;
- Funding for hospital outpatient, non-hospital clinic services, mental health; and
- Direct and indirect graduate medical education (GME) payments to teaching hospitals.

In the State of Illinois alone, the rippling effects of proposed regulations will be catastrophic especially for:

- The 52,000 students with disabilities and health related needs being serviced by the Chicago Public Schools (CPS) 1,000 case managers and counselors, as well as 1,600 clinical professionals including social workers, psychologists, nurses, speech pathologists, physical and occupational therapists and hearing/vision technicians to these students at over 600 school sites;
- The 25,000 CPS Medicaid-eligible children with chronic disabilities that impedes them from participation in normal activities of daily living, including education;
- The Illinois Medical District, one of the largest concentrations of medical facilities in the world and home of the John H. Stroger Jr. Hospital of Cook County that provides services over 110,000 patients annually in Adult ER; 45,000 children and adolescents each year in Pediatric ER; and boasts one of the most respected emergency rooms in Chicago and a Level 1 Trauma Center; and
- The University of Illinois at Chicago Medical School—the largest medical school in the United States—that relies upon Medicaid for reimbursements and federal matching of funds for costs of Graduate Medical Education (GME) programs as part of Medicaid reimbursement for inpatient or outpatient hospital services.

This impact will be felt statewide by Medicaid programs throughout Illinois. Importantly the public hospital proposed rule will go into effect on May 25 if the current moratorium is not extended. Significantly, the GME rule goes into effect sometime this summer. While I’m encouraged by CMS eagerness to cut cost, I’m disturbed by proposed outrageous regulations, especially in light of March 2007 CBO Medicaid Baseline, which found that:

- Elderly and disabled account for 26% of enrollees—68% of Medicaid spending;
- While children account for 48% of enrollees, but only 19% of spending.

Moreover, currently, Cook County’s budget situation is desperate. President Stroger has proposed a 2% sales tax to stave off cuts throughout the county, including the Bureau of Health Services, the overall county public health system. But unfortunately, there are not enough votes amongst members of the Cook County Board of Commissioners for passage. The only other revenue source is property taxes, which is not a factor considering the current housing market and economy. Under these circumstances, there’s a potential risk of 18% across the board cuts to the County’s budget. Potential outcomes of this reduction include Oakforest Hospital, Provident Hospital and 13 County clinics, importantly, Stroger Hospital, our major public hospital and public health systems.

Recommendations: I’m requesting an extension of the aforementioned moratoriums—public hospital and GME proposed regulations; and proposed rule 2261 redefining Medicaid reimbursable rehabilitative services—and that moratorium includes clinic rule as well. Representative Engel has introduced legislation (H.R.3533; Public and Teaching Hospital Preservation Act) to this effect and I am a cosponsor.

In closing, while I’ve shared pressing regional issues affecting the state of Illinois, I’ve taken the liberty of including additional FY 2009 budgetary recommendations for the Committee on the Budget review and consideration.

Again, thank you Chairman Spratt, Ranking Member Ryan and members of the Subcommittee for allowing me the privilege to testify before the Committee and I welcome and am available to answer any questions you may have.

Congressman Danny K. Davis

### **Alternate Budget Recommendation**

EDUCATION, TRAINING AND EMPLOYMENT SERVICES (500)

- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function: 500
- Program Title: Head Start

- 2008 Enacted: \$6,877,975,000
- 2009 POTUS Request: \$7,026,571,000
- Additional Funding on Top of POTUS Request: \$623,429,000 million
- Rationale for Amount: To level authorized in P.L. 110—134.
- Priority: The President proposed a mere \$150 million increase, but this is insufficient to cover the needs of this growing population. Enrollment has actually increased over the last few years, and research is clearer than ever that investing in early childhood education will greatly in terms of child progress in the long term. Dramatic increases in Head Start funding are needed to recoup the lack of inflation adjustments since FY02, to redress the \$10 million FY08 cut, and to invest in improving program quality.
- Suggested Offset: \$603.5 million from Reading First; \$10 million from Adjunct Teacher Corp; and \$10 million from Charter School Facilities;
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function: 500
- Program Title: Higher Education Act, PBI program
- 2008 Enacted: \$0
- 2009 POTUS Request: \$0
- Additional Funding on Top of POTUS Request: \$75 million
- Rationale for Amount: Authorization amount for program in Section 303 of H.R. 4137, as reported out of the House.
- Priority: The PBI provision authorizes for the first time a new category of eligible institutions within part A of Title III called “Predominantly Black Institutions” (PBIs), with an authorization amount of \$25 million. This program addresses the current limitation in the law that restricts funds for African-American serving institutions unless they were created prior to 1964, which has been particularly problematic for largely two-year, urban institutions that are serving large groups of African American students. You request an increase of \$75 million in the Function 500 allocation to support the PBI program.
- Suggested Offset: \$75 million from Pell from Kids;
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function: 500
- Program Title: Higher Education Act, Masters Degree Programs at HBCUs and Other MSIs
- 2008 Enacted: \$0
- 2009 POTUS Request: \$0
- Additional Funding on Top of POTUS Request: \$25 million
- Rationale for Amount: Authorization amount for program in Section 705 of H.R. 4137, as reported out of the House.
- Priority: There is a great need to develop black professionals in the areas of science, technology, engineering, and math. To illustrate, African Americans only make up approximately 6% of STEM occupations, a rate much lower than the African American share of professional specialties as a whole (about 10.7%). There is a new grant program to institutions to create fellowships for students at HBCUs and other MSIs who are in masters degree programs in the physical or natural sciences, mathematics, engineering, computer science, information technology, nursing, and allied health.
- Suggested Offset: \$25 million from Pell from Kids;
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function: 500
- Program Title: Higher Education Act, Honorable Augustus F. Hawkins Centers for Excellence (Section 262 of H.R. 4137, as reported out of House)
- 2008 Enacted: \$0
- 2009 POTUS Request: \$0
- Additional Funding on Top of POTUS Request: \$10 million
- Rationale for Amount: This authorization amount would support approximately 20 grants at \$500,000 each.
- Priority: Within higher education, the numbers of black men teaching are incredibly low. For example, a report by NCES in 2003 found that only 2.9% of full-time instructional faculty and staff at degree-granting institutions are black men. Data on elementary and secondary teachers is not available by gender and race/ethnicity, although experience suggests that a similar lack of minority male teachers exists in the younger grades. Research indicates that the absence of male role models contributes to the under-representation of minority men in college, and their lower academic performance in primary and secondary education. This program establishes Centers of Excellence at minority serving institutions to recruit students to become teachers (e.g., loan forgiveness) and to improve teacher preparation

courses (e.g., via mentoring programs, professional development, induction programs).

- Suggested Offset: \$10 million from Pell from Kids
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function: 500
- Program Title: Higher Education Act, Minority Male Achievement Study (Section 806 of H.R. 4137, as reported out of the House)
- 2008 Enacted: \$0
- 2009 POTUS Request: \$0
- Additional Funding on Top of POTUS Request: \$1.3 million
- Rationale for Amount: Estimated amount of funds to complete study.
- Priority: The under-representation of minority males, especially African American and Latino males, is a matter of public record that is reinforced by high dropout rates in urban and rural school districts, and lower participation/enrollment rates of these groups in colleges and universities. The American Council on Education's Minorities in Higher Education Annual Reports have consistently documented these factors for almost two decades. This study examines the access to and success of minority males in higher education, including high school graduation rates and college participation. It is designed to provide important data to lawmakers so that we can develop policies to ensure the success of these students in higher education.
- Suggested Offset: \$1.3 million from Public School Choice;
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function: 500
- Program Title: Higher Education Act, Teacher Residency Program (Section 201(b)(5) of H.R. 4137, as reported out of the House)
- 2008 Enacted: \$0
- 2009 POTUS Request: \$0
- Additional Funding on Top of POTUS Request: \$50 million
- Rationale for Amount: This authorization amount would support approximately 10 grants at \$5 million each.
- Priority: Research indicates that teacher quality is one of the most significant factors influencing student achievement. This program is modeled on Chicago's successful teacher residency program. Given that it targets high-need schools (defined as being in the highest 25% of schools in terms of percentage of students from families with incomes below the poverty line or having a designation as a rural school), it is designed to increase teachers in urban areas that serve large percentages of minority children.
- Suggested Offset: \$50 million from Pell Grants for Kids

#### ADMINISTRATION OF JUSTICE (750)

- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function Number: 750
- Program Title: OJP's: Justice Assistance Program
- 2008 Enacted: \$196,184
- 2009 POTUS Request: \$134,647
- Additional Funding on Top of POTUS Request: \$ 566,359 million
- Rationale for Amount: Restore reduction from consolidation of OJP and State & Local programs with a flat line from '07 (\$166,359 over '09s) and a \$400 million dollar increase.
- Priority: Importantly, they build upon critical concern and commitment to "Disrupting the Prison Pipeline", where African-American are disproportionately represented; sixty-five percent of women in state prison are mothers, and nearly two-thirds of these mothers lived with their children before they were incarcerated. Healthier families and stronger communities are vital to African-Americans and the communities that house them. This measure significantly, building upon
- Suggested Offset: \$566,359 million from Discretionary Offset
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function Number: 750
- Program Title: Office on Violence Against Women
- 2008 Enacted: \$400,000
- 2009 POTUS Request: \$280,000
- Additional Funding on Top of POTUS Request: \$500 million
- Rationale for Amount: Restore reduction with a flat line from 2008 (\$120 over '09 POTUS) and increase funding by \$380 million to pervasive problem that transcends all ethnic, racial and gender, and social economic barriers.

- Priority: This issue is vital, because domestic violence impacts African-American women with fewer resources or greater perceived vulnerability—girls and those experiencing physical or psychiatric disabilities or living below the poverty line. Significantly, domestic violence destroys individuals, ruins families and weakens our communities.

- Suggested Offset: \$500 million from Discretionary Offsets
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function Number: 750
- Program Title: OJP's Byrne: Weed and Seed Program
- 2008 Enacted: \$32,100
- 2009 POTUS Request: \$0
- Additional Funding on Top of POTUS Request: \$649,361
- Rationale for Amount: To restore reductions and Grant Consolidation with a flat line from '07 (\$49,361 over '09s) and an increase funding by \$600 million for grassroots community-based organizations buffering systemic shortfalls and inequities confronting ex-offenders attempting to reintegrate back into the community.

- Priority: The Second Chance Act of 2007, a reentry program designed to reduce recidivism, increase public safety, and help states and communities to better address the growing population of ex-offenders returning to communities by focusing on four areas: jobs, housing, substance abuse/mental health treatment, and families passed the house in November. We need to ensure funding to effectively implement this two year program, as well as the continuance of initiatives aimed at ensuring safer communities, reducing methamphetamine labs and other reentry programs.

- Suggested Offset: \$649,361 million Discretionary Offset.
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function Number: 750
- Program Title: OJP: Child Safety and Juvenile Justice Program
- 2008 Enacted: \$ 0
- 2009 POTUS Request: \$185,000
- Additional Funding on Top of POTUS Request: \$1 billion
- Rationale for Amount: Restore reductions associated with program consolidations towards child safety and juvenile program to ensure access to services that can help them thrive in a noninstitutional environment.

- Priority: For the past six years there has been an overall funding cut of over 40% and the administration is now proposing to eliminate what remains of the federal commitment to a focused and dedicated system of federal funding. When high quality reentry and aftercare services are available, youth need to spend less time in confinement, and the overall cost of juvenile corrections can be reduced. Congress must send a profound message that speaks to a continued need for child safety, juvenile justice and delinquency prevention. This foundation is vital to America's future.

- Suggested Offset: FY '09 \$1,000,000 Offset: Grants Consolidation
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function Number: 750
- Program Title: OJP: Violent Crime Reduction Partnership Initiative Program
- 2008 Enacted: \$ 0
- 2009 POTUS Request: \$200,000
- Additional Funding on Top of POTUS Request: \$383,513
- Rationale for Amount: To create multi-jurisdictional task forces, as well as expand initiatives between to communities experiencing increases and crime towards the attainment of establishing flexible programs reflective of community needs.

- Priority: Congress must take the lead in forging partnerships, as well as initiatives to address intricately interrelated variables (public policies, societal, demographic and neighborhoods) that exacerbate social dislocations (unemployment; crime; welfare dependency; high school dropout; etc.) and poverty.

- Suggested Offset: \$383,513 FY '09 Juvenile Justice Programs Grants Consolidation

- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function Number: 750
- Program Title: OJP: Byrne Public Safety and Protection Program
- 2008 Enacted: \$ 0
- 2009 POTUS Request: \$200,000
- Additional Funding on Top of POTUS Request: \$97,644
- Rationale for Amount: To restore reduction in funding stemming from the replacement of Project Safe Neighborhoods, drug courts, the cannabis eradication program, the cleanup of methamphetamine labs, and reentry programs.

- Priority: Throughout his tenure, the President has progressively gutted vital community-oriented programs that are in the trenches of helping ex-offenders over-

come civil and legal barriers hindering their ability to reunite with family members and love ones.

- Suggested Offset: \$2,300 from Research, Evaluation/Demonstration Program; \$5,800 Regional Information Sharing System; \$89,544 Grant Consolidations.
- Staff/Member: Helen Mitchell, Rep. Danny K. Davis
- Function Number: 750
- Program Title: OJP: Community Policing Development
- 2008 Enacted: \$ 0
- 2009 POTUS Request: \$4,000
- Additional Funding on Top of POTUS Request: \$300,000
- Rationale for Amount: To restore reductions stemming from consolidation of COPS into the OJP and streamlining of administrative overhead to ensure adequate funding for flexible programs that bring various stakeholders together, as well as communities hit by growing violence and lawlessness towards workable solutions at the local level.
- Priority: With the rise of gangs, drug activities, black-on-black crime, hand guns and school killings Congress is obligated to petition for continued solid funding towards the creation of initiatives to disruptive activities compromising the safety of our children, family, and community at large.
- Suggested Offset: \$100,000 FY '09 OJP-wide rescissions; \$100,000 COPS rescissions; and \$100,000 Working Capital Fund Rescissions

Mr. ETHERIDGE. I thank the gentleman for his testimony and there is no question about his commitment to those among us who have the greatest need. Thank you very much.

Mr. DAVIS OF ILLINOIS. Thank you.

Mr. ETHERIDGE. The next member testify is the gentleman from Connecticut, Mr. Courtney. Welcome. We are pleased to have your testimony. You are recognized for five minutes and your full statement will be entered into the record without objection.

#### **STATEMENT OF HON. JOE COURTNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT**

Mr. COURTNEY. Thank you, Mr. Chairman, and thank you for your interest and particularly your endurance. And I will do my best to summarize the written statement which we have submitted for the record.

We have heard a lot already just in the last few witnesses about the shortcomings of this budget in terms of dealing with domestic needs. I would like to shift gears for a moment and talk about the impact of this budget on the continuing decline of America's United States Navy.

When George Bush was sworn into office in 2001, the United States Navy numbered 341 multi-mission battle force ships. Today the fleet is at a 91-year low of 279 ships, 34 ships below the Navy's own requirements.

I want to repeat that point. Today we have a maritime strategy in this country to have a Navy of 313 ships and today we are at 279.

The President's budget which was submitted earlier in January once again continues the outrageous decline of the size of our fleet with a submission of only seven new ships. If you take the average shelf life of a ship or submarine of 30 years and do the math, the President's budget will continue again the steady decline in terms of the size of our fleet size.

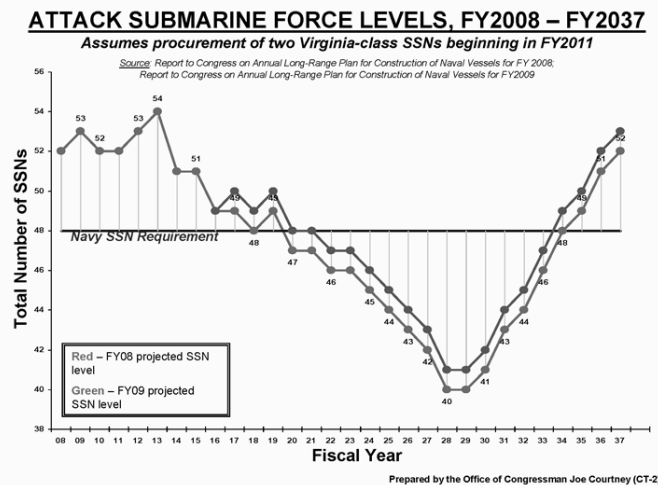
This is at a time when 95 percent of goods being imported to the United States come by sea and also it is at the same time in which there are new maritime forces that are growing.



The New York Times earlier this week on Monday had a story about the fact that the Chinese Navy now is in full active programs to build up its nuclear Navy. By the end of this decade, they will have more submarines than the United States Navy and the trajectory in terms of what they are doing in terms of the build-up indicates that we really have no clear picture in terms of how large the build-up will be.

To put this in perspective, Mr. Chairman, when Ronald Reagan left office, we had a 600 ship Navy in this country. In my district, Groton, Connecticut, we were building five submarines a year. We have been limping along at one submarine a year for the last 15 years.

And a chart is attached to my testimony which shows the fact that the present size of the submarine fleet will continue to exist only because of the legacy submarines that were built back in the 1980s. We are going to dip below the Navy's finding of the minimum that is necessary of 48 ship submarine fleet and it will stay there for a period of almost 12 to 15 years, again at exactly the same time when a new maritime force is gathering steam in the People's Republic of China.



It probably sounds almost counterintuitive given the fact that our Defense budget now is almost three-quarters of a trillion dollars that something like this is happening. But, frankly, it shows that the War in Iraq is not only siphoning off resources for domestic needs in this country but major weapon systems. Particularly the Air Force and the Navy is suffering as well.

Last Congress, the Democratic-led Congress actually for the first time in 15 years addressed this problem partially by having an advanced procurement towards a second submarine to start beginning to at least mitigate the decline of our fleet. And I frankly think it shows that Mr. Spratt, Mr. Skelton, Mr. Taylor, Mr. Murtha understand the fact that this country has huge challenges facing us that again the budget priorities of this Administration has neglected over the last seven years.

Again, my statement also goes into some of the other key issues in terms of the State of Connecticut that this budget falls far short.

Just one brief mention is just in the area of education underfunding, the “No Child Left Behind Act” is \$85 billion behind the curve. School districts that rely on antiquated property taxes are totally overwhelmed in terms of mandated class coming from Washington. And, once again, we get another budget which just continues to add to that burden.

And hopefully a lot of confidence in Mr. Spratt and the Committee is going to again begin the work that we started last year to redirect the priorities of this country to face challenges that we face both abroad and at home.

And I thank you for again your patience and interest.

[The prepared statement of Joe Courtney follows:]

PREPARED STATEMENT OF HON. JOE COURTNEY, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF CONNECTICUT

Chairman Spratt and members of the Committee, I want to thank you for giving me the opportunity to testify before you today.

While the President’s budget contains \$537 billion for non-war related activities, I remain concerned that there is not enough emphasis placed on our shipbuilding needs.

In 2001, the U.S. Navy numbered 341 multi-mission battle force ships. Today, however, the fleet is at a 91-year low of 279 ships—34 below the Navy’s own requirements. While the Department of Defense’s (DOD) overall budget has increased by nearly 81 percent since 2001 (excluding supplementals), the Navy’s budget for new ship construction has increased only 12 percent. Had Navy shipbuilding budgets kept pace with the increases in DOD spending, this years budget request should have asked for \$19.4 billion, rather than the \$12 billion asked for—just seven new naval ships.

As a result of this underfunding of shipbuilding, our Navy fleet will be strained as it tries to accomplish more with less. Last year, Congress added funding to the Navy’s shipbuilding budget to begin construction on five ships that were not requested in the President’s budget. Specifically, \$50 million was added to begin construction on the 10th ship of the LPD-17 class, \$300 million was added for advanced construction of the 12th, 13th, & 14th ships of the T-AKE class and \$588 million was added to accelerate construction of 2 Virginia class submarines per year.

The President’s FY2009 budget does not provide the follow-on funding needed to complete construction of the LPD-17 or the 13th and 14th ships of the T-AKE class. And, while the budget accelerated the Virginia class to 2 per year in 2011 using last year’s additional advanced procurement funding, it fails to include sufficient funding to further accelerate Virginia class to two per year in FY2010. In order to get to the minimum goal of a 313-ship Navy, we are going to need to invest more in our shipbuilding programs, both this year and in the years ahead. I would like to introduce a copy for the Record of an article in the February 28, 2008 edition of the New York Times .

Like many of you, I was extremely disappointed, but not exactly surprised, to see a budget from President Bush that continues the country on a path of fiscal irresponsibility. The budget contains the same misguided domestic policy priorities we have seen over the last seven years that continue to burden the low and middle class.

I want to thank Chairman Spratt and the Committee for laying the foundation in the FY 2008 Budget Resolution for the College Cost Reduction and Access Act, enacted in September 2007. A strong education foundation is the roadmap to a strong middle class. We need to ensure that our teachers have the resources needed to provide students the training necessary to gain the skills to compete in the 21 century. Our economy cannot prosper if we do not invest in education. The FY 2009 budget is frozen at last years level even as school districts throughout eastern Connecticut are struggling to balance their budgets while providing a quality education in a safe environment. Once again, the Administration shortchanges the elementary and secondary education budget, providing only \$125 million above last year for a cumulative shortfall to the NCLB law of \$85.6 billion. At a time when families are struggling throughout this country, President Bush provides just a pittance of an increase to Title I funding that doesn’t even cover the inflation rate. In FY 2008,

over \$13 million in Title I funding was provided to eastern Connecticut towns. As towns and cities are squeezed and students and families face rising college costs, this Administration mistakenly terminates 47 critical education programs, further reducing its investment in education by \$3.2 billion.

Right now, 92 percent of Connecticut's Medicare population are experiencing higher Medicare Part B payments and reduced benefits in order to subsidize increased benefits for only 8 percent of the population through Medicare Advantage. There resources could be used to improve traditional Medicare.

At the same time, the President proposes drastic cuts to Medicare & Medicaid Reimbursements for hospital services. Already, Connecticut's full-service hospitals are facing financial hardship due to rising operating costs, new costly technologies, labor shortages and an increasing number of uninsured Americans that are depending on them as a health safety net. The Federal Government should be supporting hospitals in their health care mission, not providing further challenges. The President's budget would be devastating for eastern Connecticut, with a projected loss of over \$90 million over the next five years.

The budget is an assault on science and medical advancements as well. The National Institute of Health (NIH) is our nation's best hope for curing and treating so many of the illnesses that families battle on a daily basis. We are dependent on their research and research grants to provide advancements in curing cancer, heart disease and diabetes and many other diseases. Yet, President Bush has proposed flat funding NIH at \$29.5 billion for Fiscal Year 2008. Since 2003, funding for NIH has failed to keep pace with biomedical inflation—resulting in fewer research grants, cancelled clinical trials and a reluctance to start new investigations due to uncertain funding. My state of Connecticut received 1,200 grants in 2007 for a total of \$469,206,694. Funding went to research projects at the University of Connecticut Storrs and Yale, both world renowned academic institutions working to make scientific advancements. If the President's budget is accepted, these institutions and others throughout the country will not be able to get the funding necessary to conduct today's research in order to find tomorrow's cures.

With the current mortgage market crisis, Low-income Americans have been feeling the greatest impact. The Community Development Block Grant program is an effective program that helps support homeownership, housing rehabilitation and economic development programs. This proven HUD program not only helps improve individual communities, but serves to strengthen the local economy. Yet once again, President Bush has attempted to dismantle a program serving the housing needs of low- and middle-income Americans. He has proposed merging the CDBG with other programs and decreasing the spending by \$86 million. Given the turbulence in the housing market, now is not the time to cut programs that support housing development.

Connecticut, like much of the Northeast, is vulnerable to fuel oil shortages and price spikes due to the high demand for heating oil. The Energy Information Administration projected that the cost to heat a home this year increased by \$375 to \$1,841. Families in eastern Connecticut are paying approximately \$3.40 per gallon for heating oil, nearly a dollar increase from last year. I have seen no indication that this trend will reverse itself, so I am perplexed as to why the Administration cut by \$320 million. This cut will mean that Connecticut receives \$6.6 million less which will be troubling to families that avail themselves of LIHEAP funding in eastern Connecticut.

At a time when ensuring our nation's security is of paramount importance, President Bush cuts funding for a variety of first responder programs. It outright eliminates the COPS program, which provides grants to communities to hire and train police officers and improve their telecommunications capacity. The budget cuts \$465 million from Fire Grants that help local departments obtain equipment, gear, vehicles and additional training. Connecticut would stand to lose over \$5 million from this budget cut alone.

The President gives little attention to infrastructure investment. The budget cuts the Federal-Aid Highways program by \$800 million to maintain current services. This funding is critical to my district and the entire State of Connecticut, which stands to lose \$8.3 million. Eastern Connecticut faces many unique circumstances and the state itself has 48 percent of roads and 34 percent of bridges are deteriorating. The budget also significantly cuts the Clean Water State Revolving Fund by \$148 million below the level needed to maintain current services. The cost to Connecticut if this federal water quality program is cut stands at nearly \$2 million.

I urge you to restore these ill-conceived budget cuts. It is important to the families, schools and businesses in eastern Connecticut. Thank you Mr. Chairman.

Mr. ETHERIDGE. I thank the gentleman from Connecticut and for his commitment to not only his people in Connecticut, but the people of America. Thank you for your testimony.

The next member we will recognize for testimony is the gentle lady from Hawaii, Ms. Hirono, and welcome. We are pleased to receive your testimony. You are recognized for five minutes. And without objection, your full statement will be entered into the record.

**STATEMENT OF HON. MAZIE HIRONO, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF HAWAII**

Ms. HIRONO. Thank you, Mr. Chairman. I am grateful for this opportunity to provide my input as you work to prepare the budget resolution for fiscal year 2009.

I am deeply concerned about the many cuts to vital programs proposed in President Bush's budget, including those affecting veterans, Medicare, Medicaid, homeland security, medical research, education, environmental programs, and so much more.

In fact, given all the problems with the President's budget, one hardly knows where to begin or end. I have decided to focus my remarks on some of the proposed cuts that if sustained would severely impact the economies of my state and yours.

I am deeply concerned about the effect the current economic downturn will have in my district and want to be sure that the investment we made by passing the economic stimulus package is not undermined by under-funding critical federal programs.

I represent Hawaii's 2nd District which is comprised of seven inhabited islands. Most of my district is rural. Many of the challenges facing my district are unique because it is spread over many islands and is so remote from the mainland U.S. However, I know that we share many of the concerns of rural communities throughout the country.

I ask that the Committee ensure that vital federal programs that help support economic development in our communities are maintained at the fiscal year 2008 purchasing levels in fiscal year 2009.

Since the release of the President's budget, I have heard from many nonprofit groups in Hawaii that rely on these federal funds to leverage their ability to raise additional funds for economic development, job training, job creation, and other vital programs to move our economy forward.

They are deeply worried about the proposed cuts. The following are among the most important programs for localities in my district.

First, Community Development Block Grant Program, CDBG. The President's budget cuts CDBG by almost 20 percent of what would be needed to maintain 2008 purchasing power. CDBG funds are highly valued by the counties in my district because these funds provide flexibility for local governments to respond to local problems, whether in providing affordable housing, economic development, job creation, or meeting other critical needs.

We should be increasing, not decreasing, this assistance. The proposed cut will cost my state some 2.8 million at a very difficult time.

Second, surface transportation funding. The President's proposed cuts in transportation funding below the levels authorized by Congress is the wrong move at a time when we need to be investing in building and repairing our nation's vital transportation infrastructure.

These projects would provide jobs during this economic downturn and ensure our future economic competitiveness. The proposed cuts would cost my state an estimated 2.5 million in 2009.

Third, Clean Water State Revolving Fund and Drinking Water State Revolving Funds. The President's budget provides the lowest level of funding ever measured in terms of purchasing power for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund.

Our states and local communities rely on these programs to upgrade and replace our aging waste water collection and treatment systems and to ensure safe drinking water for all of our communities. These funds ensure the health and safety of our citizens and provided needed jobs.

Fourth, job training. We must help our citizens adjust to changing demands in our economy and ensure that we have a well-trained workforce. Please reject the President's proposal to cut funding for job training by 1.1 billion compared with the level provided in 2008.

Fifth, crime prevention. The President's budget estimates several law enforcement programs created by Congress that assist state and local governments in combating crime, including the Edward Byrne Memorial Justice Assistance Program, the Byrne Discretionary Grants, Drug Courts, and the Community Oriented Policing Services, COPS Program. Please reject these eliminations and restore funding to these proven programs.

Last, but not least, Social Services Block Grant, SSBG. Please reject the President's proposal to cut SSBG funding by almost 30 percent. This grant gives states the discretion to provide social services such as child care, child welfare, home-based services, employment services, services for the disabled, depending on needs in each state.

Many working families cannot get by without the support these programs provide. The President's proposed cuts would cost Hawaii some 2.1 million in 2009.

These programs are just a sampling of the many successful programs that Congress has created and supported over the years to help our communities and to encourage economic development.

I ask the Committee build on the excellent work it accomplished last year and reject the President's proposed cuts.

Finally, I ask that the Committee reject the proposed cuts to educational, health, and housing programs benefitting native Hawaiians. As one of only two members in the House representing Hawaii, I ask that you support continued funding for these authorized and long-standing programs for our indigenous peoples, the native Hawaiians.

Mahalo and aloha for listening to my concerns.

[The prepared statement of Mazie Hirono follows:]

PREPARED STATEMENT OF HON. MAZIE K. HIRONO, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF HAWAII

Chairman Spratt, Ranking Member Ryan, and members of the House Committee on the Budget, I am very grateful for this opportunity to provide my input as you work to prepare the Budget Resolution for Fiscal Year 2009. I am deeply concerned about the many cuts to vital programs proposed in President Bush's budget, including those affecting veterans, Medicare, Medicaid, homeland security, medical research, education, environmental programs, and so much more. In fact, given all of the problems with the President's budget, one hardly knows where to begin or end. I've decided to focus my remarks on some of his proposed cuts that, if sustained, would severely impact the economies of my state and yours. I am deeply concerned about the effect the current economic downturn will have in my district and want to be sure that the investment we made by passing the economic stimulus package is not undermined by under-funding critical federal programs.

I represent Hawaii's second district, which is comprised of seven inhabited islands. Most of my district is rural. Many of the challenges facing my district are unique because it is spread over many islands and is so remote from the mainland United States; however, I know that we share many of the concerns of rural communities throughout the country.

I ask that the Committee ensure that vital federal programs that help support economic development in our communities are maintained at least at FY2008 purchasing levels in FY2009. Since the release of the President's budget, I have heard from many nonprofit groups in Hawaii that rely on these federal funds to leverage their ability to raise additional funds for economic development, job training, job creation, and other vital programs to move our economy forward; they are deeply worried about the proposed cuts. The following are among the most important programs for localities in my district:

- Community Development Block Grant Program (CDBG). The President's budget cuts CDBG by almost 20% of what would be needed to maintain 2008 purchasing power. CDBG funds are highly valued by the counties in my district because these funds provide flexibility for local governments to respond to local problems, whether in providing affordable housing, economic development, job creation, or meeting other critical needs. We should be increasing, not decreasing, this assistance. The proposed cut would cost my state some \$2.8 million at a very difficult time.

- Surface Transportation Funding. The President's proposed cuts in transportation funding below the levels authorized by Congress is the wrong move at a time when we need to be investing in building and repairing our nation's vital transportation infrastructure. These projects would provide jobs during this economic downturn and ensure our future economic competitiveness. The proposed cuts would cost my state an estimated \$2.5 million in 2009.

- Clean Water State Revolving Fund and Drinking Water State Revolving Funds. The President's budget provides the lowest level of funding ever (measured in terms of purchasing power) for the Clean Water State Revolving Fund and the Drinking Water State Revolving Fund. Our states and local communities rely on these programs to upgrade and replace our aging wastewater collection and treatment systems and to ensure safe drinking water for all our communities. These funds ensure the health and safety of our citizens and provide needed jobs.

- Job Training. We must help our citizens adjust to changing demands in our economy and ensure that we have a well-trained workforce. Please reject the President's proposal to cut funding for job training by \$1.1 billion compared with the level provided in 2008.

- Crime Prevention. The President's budget eliminates several law enforcement programs created by Congress that assist state and local governments in combating crime, including the Edward Byrne Memorial Justice Assistance Program, Byrne Discretionary Grants, Drug Courts, and the Community-Oriented Policing Services (COPS) program. Please reject these eliminations and restore funding to these proven programs.

- Social Services Block Grant (SSBG). Please reject the President's proposal to cut SSBG funding by almost 30 percent. This grant gives states the discretion to provide social services such as child care, child welfare, home-based services, employment services, and services for the disabled, depending on needs in each state. Many working families cannot get by without the support these programs provide. The President's proposed cuts would cost Hawaii some \$2.1 million in 2009.

This list of programs is just a sampling of the many successful and valued programs that Congress has created and supported over the years to help our communities and to encourage economic development. I ask that the Committee build on

the excellent work it accomplished last year and reject the President's proposed cuts.

Finally, I ask that the Committee reject the proposed cuts to educational, health, and housing programs benefiting Native Hawaiians. As one of only two members in the House representing Hawaii, I ask that you support continued funding for these authorized and longstanding programs.

Mahalo for listening to my concerns.

Mr. ETHERIDGE. I thank the gentle lady for her testimony, for her great advocacy not only for her state, but for the needs of this country.

The next member to testify will be the gentleman from Texas, Mr. Rodriguez. Welcome. We are pleased to receive your testimony. You are recognized for five minutes. And without objection, your full statement will be entered into the record.

**STATEMENT OF HON. CIRO RODRIGUEZ, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF TEXAS**

Mr. RODRIGUEZ. Thank you, Mr. Chairman.

I would like to begin by telling you a little bit about my district. It's the 23rd Congressional District of Texas. The district is one of the largest in the country. It spans 785 miles on the border with Mexico. I also represent the south and northwest sides of San Antonio.

My district is also both very urban in San Antonio and very rural in west Texas. We have farming, ranching, and we have the state-of-the-art when it comes to the military and biotech research. Just like the district and its diversity, the needs are also extremely diverse.

As you well know, the President released his budget request earlier this month. The budget does not reflect the many priorities and the needs of my constituency and that I hope that this Committee with its leadership will be able to address some of these needs. And I will provide you with a blueprint of the some of the concerns that we have.

First of all, as it relates to the base realignment enclosure referred to as the BRAC, one of the main number one problems that we might have is that the military installations in San Antonio are expected to bring, you know, the presence of economic boom as a result of this particular effort.

San Antonio will provide much of the healthcare as well as the medical training for the entire Department of Defense as a result of BRAC. Any delays or under-funding can increase the future of this construction cost.

I respectfully ask the Committee not only to provide the funding for the BRAC, which is essential in the recommendations, but also provide legislative language to prioritize any BRAC considerations related to defense and healthcare programs.

I believe that the language will allow the military to be able to prepare to provide not only the training but the adequate healthcare needs of our soldiers through the BRAC process. So I would ask for those serious considerations.

Secondly, the U.S. border, the Mexico Border Program at the Environmental Protection Agency funds the Project Development Assistance Program and the Border Environmental Infrastructure Fund.

The President requests the funding levels of ten million for 2009 that would lead to fulfilling only five percent of the program's needs. This program has received as much as 100 million in annual appropriations. And to be cut to ten million is a drastic cut.

The President over the last two years has requested only ten million for this program. Many small, rural, and low-income communities rely on the program like this to provide the most basic necessities such as water and waste water infrastructure along the border. I strongly urge the Committee's recommendation of 100 million for EPA U.S. Mexico Border Program.

Thirdly, recent routine safety inspections found that four dams operated and maintained by the IBWC were all found to be unsafe. The IBWC does not believe that they are an immediate danger, but continuing to neglect will lead to disrepair and danger in these particular areas.

The IBWC has estimated that the U.S. cost to rehabilitate these dams' infrastructure is 30 million. The largest and most need of repair is the Omistot Dam. The water reservoir created by the dam is the Omistot national recreation area. This unit of the National Park System hosts over a million tourists each year.

This dam is located on the Mexican-U.S. border. And this year, the President requested only one million for the dam rehabilitation at the IBWC. This one million is barely enough to maintain the brand new dams and nowhere near the needs for rehabilitating those that are in danger.

I request that the Committee maintain for this infrastructure and that we request the Committee recommend \$30 million for the IBWC construction account.

And, fourthly, the Southwest Border Prosecution Initiative and the State Criminal Alien Assistance Program reimbursement for states and counties and other jurisdictions for costs incurred for undertaking a federal responsibility such as prosecuting federal cases or incarceration of federal crimes with aliens.

The Southwest Border Prosecution Initiative was funded at 30 million in 2008, a ten million cut from the 2007, and is authorized at 750 million for 2006 and 850 million for 2007 and 950 million for 2008. But in 2008, it only received 410 million, almost a cut of a half of its resources.

The reimbursement that is received is also a fraction of the cost that is needed in order to make this happen. I request the Committee recommend 50 million above the initial request and 950 million in order for us to continue to move forward on the prosecution initiatives.

And, finally, an issue that I wanted to share with you, the Animal, Plant Health Inspection Services that are important. I respectfully ask or request that the Committee consider 12 million for the cattle, fever tick eradication program. It is a real serious program that we have on the border with Mexico and the fever ticks do domestic damage in our area. So I ask for your support in that area.

And I want to thank you personally for allowing me this opportunity to testify before your Committee. Thank you, Mr. Chairman.

[The prepared statement of Ciro Rodriguez follows:]



PREPARED STATEMENT OF HON. CIRO D. RODRIGUEZ, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF TEXAS

Mr. Chairman, Ranking Member Ryan and Members of the Committee: I would like to begin by telling you a bit about the district I represent, the 23rd District of Texas. My district is very large, spanning 785 miles of border with Mexico. I also represent South and Northwest San Antonio. My district is both very urban in San Antonio and very rural in West Texas. We have farming and ranching and we have state of the art military and biotech research. And just like the district itself, the needs of the district are very diverse.

As you well know, the President released his budget requests early this month. That budget does not reflect the many priorities and needs of my constituents and I hope this committee, under the leadership of Chairman Spratt and Ranking Member Ryan, will provide a budget blueprint that better suits the needs of my district.

There are many federal programs that are valuable to my constituents that would be negatively impacted under the Presidents proposals such as JAG law enforcement grants, EDA grants and others programs, but I am glad to have this opportunity to be before the committee on behalf of my constituents to convey some of their priorities and I would strongly urge this committee to consider them in their budget.

BASE REALIGNMENT AND CLOSURE (BRAC)

Military installations in San Antonio are expected to bring an unprecedented economic boom to the entire region. San Antonio will provide much of healthcare as well as the medical training for the entire Department of Defense as a result of BRAC. Funding to implement BRAC recommendations is widely supported in Congress. Any delay or under funding can increase future construction costs. I respectfully request the committee not only provide for full funding of the BRAC recommendations but also provide legislative language to prioritize any BRAC construction related to Defense Health Programs. I believe this language will assure our military is prepared to train and provide for adequate healthcare by the BRAC recommended deadline.

US-MEXICO BORDER PROGRAM

The US-Mexico Border Program at the Environmental Protection Agency funds the Project Development Assistance Program (PDAP) and Border Environment Infrastructure Fund (BEIF). The US Mexico Program account received \$25.5 million in FY08, a \$24.5 million cut from FY07. The President requested a funding level of \$10 million in FY09 that would lead to fulfilling only 5% of the program needs. This program has received as much as \$100 million in annual appropriations. From FY03 to FY06 the US-Mexico Border Program received \$50 million. The President, over the last two years has requested only \$10 million for this program. The US-Mexico Border program leverages \$2 additional dollars for every \$1 of federal funds. This is a great program. Many small, rural, low income communities rely on programs like this to provide the most basic necessities such as water and wastewater infrastructure. I strongly urge the committee recommend \$100 million for EPA's US-Mexico Border Program.

INTERNATIONAL BOUNDARY AND WATER COMMISSION (IBWC)

A recent routine safety inspection found that four dams operated and maintained by IBWC were all found to be unsafe. IBWC does not believe there is immediate danger, but continued neglect could lead to disrepair and danger. IBWC has estimated the U.S. costs to rehabilitate dam infrastructure to be around \$30 million. The largest and most in need of repair is the Amistad Dam in my district. The water reservoir created by the dam is the Amistad National Recreation Area. This unit of the National Parks system hosts over a million tourists a year and is home to some of the best bass fishing in the world. Despite these extensive infrastructure challenges, the median appropriation for IBWC's construction account between FY95 and FY07 is \$5.939 million. This year the President requested \$1 million for dam rehabilitation at the IBWC. \$1 million is barely enough to maintain a brand new dam, and no where near enough to rehabilitate those in danger. A significant commitment to maintaining and rehabilitating our infrastructure is needed. I request this committee recommend \$30 million for IBWC's construction account.

LOCAL REIMBURSEMENTS IN DEPARTMENT OF JUSTICE

Southwest Border Prosecutor Initiative (SWBPI) and the State Criminal Alien Assistance Program (SCAAP) reimburses State, county, and other jurisdictions for

costs incurred for undertaking a federal responsibility such as prosecuting federal cases or incarceration of federal criminal aliens. The Southwest Border Prosecutor Initiatives was funded at \$30 million in FY08 a \$10 million cut from FY07. SCAAP is authorized at \$750 million for FY2006, \$850 million for FY2007, and \$950 million for FY2008-FY2011. In FY08, SCAAP received \$410 million. The reimbursement that is received is only a fraction of the costs that our local communities are incurring. The President's budget has been trimming down the Southwest Border Prosecutors program and has eliminated funding for SCAAP every year. I believe the Federal Government needs to pay for its responsibilities and should not place their burden on local governments. I request the committee recommend \$50 million for the Southwest Border Prosecutors Initiative and that SCAAP be funded at its current authorized level.

#### CATTLE FEVER TICK ERADICATION PROGRAM

Animal and Plant Health Inspection Services (APHIS) operates a program to eradicate cattle fever ticks from cattle in South and West Texas. Fever ticks, which are native to Mexico and spread from white-tailed deer to cattle, are a devastating to the cattle industry along the border. The president requested \$9.674 million for FY2007, but the program received only \$7.653 million. This was the same funding level as FY2007. USDA dedicated an additional \$513,000 in contingency funds for the program during FY2007 due to increased tick presence. Maverick County and other counties in my district have been hit hard and a cut in resources means a greater strain on both local resources and the cattle industry of Texas. I respectfully request that the committee consider \$12 million for the Cattle Fever Tick Eradication Program at USDA.

I would like to thank the committee for the time. As I mentioned, these are only a few programs that are important to the communities of the 23rd district of Texas. This committee's leadership in creating a funding blueprint by which the Congress provides appropriations is vital to the process. I strongly urge you to consider the needs of my constituents. Thank you for your time and I'll be glad to answer any questions you may have.

Mr. ETHERIDGE. I thank the gentleman for his testimony. We appreciate your time.

The next member to testify is the gentleman from California, Mr. Honda. Welcome. And we are pleased to receive your testimony. You are recognized for five minutes. And without objection, your full statement will be entered into the record.

#### **STATEMENT OF HON. MICHAEL HONDA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. HONDA. Thank you, Mr. Chairman. Mr. Chairman, members of the House Budget Committee, thank you for this opportunity to express my views on what I believe should be key priorities in the fiscal year 2009 federal budget. As a former member of this distinguished Committee, it is a great pleasure to speak before you today.

Mr. Chairman, as a former teacher and principal, promoting quality education continues to be one of my top priorities here in Congress. I voted in favor of the No Child Left Behind with great trepidation.

While I support setting higher standards for our nation's schools, I fear that without the necessary resources, the legislation would impose unfunded mandates on our schools, teachers, and our students. Unfortunately, that fear has come true.

Today I hear from countless numbers of teachers, principals, and school board members who are struggling with the mandates set out by the "No Child Left Behind Act" while facing severe budgetary cuts.

In Santa Clara County, there are teachers who have only been given one box of paper for their students for the entire year. There

are teachers who do not have access to copy machines anymore because the schools have shut them down.

That is why I am disappointed in the President's budget request for fiscal year 2009 and why I believe we must provide greater resources for education than the President has suggested.

President Bush's budget ignores inflation and increases in student enrollment by proposing to spend about the same amount as last year for the Department of Education. Providing a mere one-half of one percent increase in funding for No Child Left Behind is essentially a cut and leaves funding about \$15 billion below the level authorized for 2009.

In addition, the budget proposed to redirect a greater proportion of Title I funds to high schools. This redirection will translate into even less funding to support K-8 education.

The Administration once again proposes a 300 million voucher program for students in failing schools, this year called Pell Grants for Kids, to be paid for by eliminating existing programs such as Vocational Education State Grants, Native American, Native Hawaiian institutions, tribally-controlled, post secondary career and technical institutions, Education Technology State Grants, and Even Start, and dramatically cut others such as after school programs and minority-serving institutions.

In addition, the President's budget once again fails to fully fund the "Individual With Disabilities Education Act" or IDEA. As the Budget Committee is aware, the Federal Government made a commitment to provide 40 percent of the cost of educating children with disabilities in 1975. Congress has failed to meet that commitment for over 29 years.

This is simply unacceptable. That is why I am here today to urge the Committee to make education a top priority by fully funding IDEA and increasing funding for the "No Child Left Behind Act."

Mr. Chairman, I am also here today to oppose the President's attempt once again to eliminate the State Criminal Alien Assistance Program in this budget. SCAAP reimburses state and local governments for the cost of incarcerating criminal aliens and it is vital to border states such as California, which incarcerated disproportionately high share of undocumented criminal aliens.

In addition, the President's budget would eliminate several crucial programs that will affect the health and well-being of my constituents as well as the nation as a whole. For example, he proposes to eliminate the Urban Indian Health Program which provides unique services for those Native Americans living outside of reservations as a result of federal relocation policies and the unfortunate socioeconomic realities that persist on reservations.

The President's budget also proposes to eliminate the Title 7 Health Professions programs. These programs aim to increase the diversity of our healthcare workforce as well as improve the quality of healthcare in low-income and racial and ethnic minority populations.

In addition, the budget includes no direct funding for the Drug Court Program. It woefully under-funds many other important justice programs such as juvenile justice programs and prevention of violence against women.

Drug Courts are an effective and popular method for the judicial system, mental health, social service, and treatment communities to intervene and break the cycle of substance abuse, addiction, and crime.

I am somewhat encouraged by the fact that the President has included some important funding increases for scientific research that will help our nation to maintain its competitive position in the global marketplace which is critical to my Silicon Valley district.

Unfortunately, he has once again chosen to rob Peter to pay Paul by proposing to eliminate programs that have a proven track record of aiding small businesses and creating new jobs.

He has not provided enough for science, technology, engineering, and mathematics education to prepare the workforce we will need to remain competitive in the future. He has not provided the funding for NASA that we will need to achieve the challenge and exploration goals he has set for the Agency while still performing its core science and aeronautics activities.

As Chairman of the Congressional Asian-Pacific American Caucus, I would like to highlight three issues of importance to the Asian-American Pacific Islander community in this year's budget.

First, during World War II, Filipino soldiers fought under the flag of the United States to help our nation secure victory. These soldiers were denied veterans' benefits that they were promised and they earned. And it is my hope that this year, the House and Senate will right that injustice by passing legislation to restore those benefits. I ask that the Budget Committee make room within the budget as they did last year within the budget resolution to accommodate this fix should legislation be passed.

Second, the "College Cost Reduction Act of 2007" created a new category of Asian-American Pacific Islander serving institutions of higher education. We ask that the Budget Committee provide for up to \$25 million in funding for this newly-designated class of institutions.

Finally, in 2006, Congress passed legislation to preserve the internment camps where Japanese Americans were detained during World War II. The National Park Service has been developing a plan for the preservation of the sites and \$5 million is needed in the fiscal year 2009 budget to help make this happen.

I understand that the Budget Committee is being asked to make these funding decisions in the context of a deficit. However, the Federal Government has an obligation to invest in future growth.

Our nation's historical commitment to education, healthcare, and innovation and competitiveness has served us well and we must reaffirm that commitment in the fiscal year 2009 budget resolution.

I respectfully ask the Committee to fully fund IDEA and provide substantial increases for the "No Child Left Behind Act," allocate sufficient funding for vital health programs, ensure that we can maintain our international competitiveness in science and innovation.

I thank you for the opportunity to testify.

[The prepared statement of Mike Honda follows:]

PREPARED STATEMENT OF HON. MICHAEL M. HONDA, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA

Chairman Spratt, Ranking Member Ryan, and Members of the House Budget Committee, thank you for this opportunity to express my views on what I believe should be key priorities in the Fiscal Year 2009 federal budget. As a former Member of this distinguished committee, it is a great pleasure to speak before you today.

Mr. Chairman, as a former teacher and principal, promoting quality education continues to be one of my top priorities here in Congress. I voted in favor of the No Child Left Behind Act with great trepidation. While I support setting higher standards for our nation's schools, I feared that without the necessary resources, the legislation would impose unfunded mandates on our schools, our teachers, and our students. Unfortunately, that fear has come true.

Today, I hear from countless numbers of teachers, principals, and school board members who are struggling with the mandates set out by the No Child Left Behind Act while facing severe budgetary cuts. In Santa Clara County, there are teachers who have only been given one box of paper for their students for the entire year. There are teachers who do not have access to copy machines anymore because the schools have shut them down.

That is why I am disappointed in the President's Budget Request for Fiscal Year 2009, and why I believe we must provide greater resources for education than the President has suggested. President Bush's budget ignores inflation and increases in student enrollment by proposing to spend about the same amount as last year for the Department of Education. Providing a mere one half of one percent increase in funding for NCLB is essentially a cut, and leaves funding about \$15 billion below the level authorized for 2009. In addition, the budget proposes to redirect a greater proportion of Title I funds to high schools. This redirection will translate into even less funding to support K-8 education.

The Administration once again proposes a \$300 million voucher program for students in failing schools, this year called "Pell Grants for Kids," to be paid for by eliminating existing programs such as Vocational Education State Grants, Native American/Native Hawaiian Institutions, Tribally Controlled Postsecondary Career and Technical Institutions, Education Technology State Grants and Even Start, and dramatically cutting others, such as after school programs and minority serving institutions.

In addition, the President's budget once again fails to fully fund the Individuals with Disabilities Education Act, or IDEA. As the Budget Committee is aware, the Federal government made a commitment to provide 40% of the cost of educating children with disabilities in 1975. Congress has failed to meet that commitment for over 29 years. This is simply unacceptable. That is why I am here today to urge the committee to make education a top priority by fully funding IDEA and increasing funding for the No Child Left Behind Act.

Mr. Chairman, I am also here today to oppose the President's attempt, once again, to eliminate the State Criminal Alien Assistance Program in this budget. SCAAP reimburses state and local governments for the costs of incarcerating criminal aliens, and is vital to border states such as California which incarcerate a disproportionately high share of undocumented criminal aliens.

In addition, the President's budget would eliminate several crucial programs that will affect the health and well being of my constituents as well as the nation as a whole. For example, he proposes to eliminate the Urban Indian Health Program, which provides unique services for those Native Americans living outside of reservations as a result of federal relocation policies and the unfortunate socio-economic realities that persist on reservations. The President's budget also proposes to eliminate the Title VII Health Professions Programs. These programs aim to increase the diversity of our healthcare workforce as well as improve the quality of health care in low-income and racial and ethnic minority populations.

In addition, the budget includes no direct funding for the drug court program and woefully underfunds many other important justice programs such as juvenile justice programs and prevention of violence against women. Drug courts are an effective and popular method for the judicial system, mental health, social service, and treatment communities to intervene and break the cycle of substance abuse, addiction, and crime.

I am somewhat encouraged by the fact that the President has included some important funding increases for scientific research that will help our nation to maintain its competitive position in the global marketplace, which is critical to my Silicon Valley district. Unfortunately, he has once again chosen to "rob Peter to pay Paul" by proposing to eliminate programs that have a proven track record of aiding small businesses and creating new jobs, he has not provided enough for Science,

Technology, Engineering, and Mathematics Education to prepare the workforce we will need to remain competitive in the future, and he has not provided the funding NASA will need to achieve the challenging exploration goals he has set for the agency while still performing its core science and aeronautics activities.

As Chairman of the Congressional Asian Pacific American Caucus, I would like to highlight three issues of importance to the AAPI community in this year's budget.

First, during World War II, Filipino soldiers fought under the flag of the United States to help our nation secure victory. These soldiers were denied veterans' benefits that they earned, and it is my hope that this year the House and Senate will right that injustice by passing legislation to restore those benefits. I ask that the Budget Committee make room within the budget resolution to accommodate this fix should legislation be passed.

Second, the College Cost Reduction Act of 2007 created a new category of Asian American and Pacific Islander Serving Institutions of higher education. We ask that the budget committee provide for up to \$25 million in funding for this newly designated class of institutions.

Finally, in 2006, Congress passed legislation to preserve the internment camps where Japanese Americans were detained during World War II. The National Parks Service has been developing a plan for the preservation of the sites, and \$5 million is needed in the Fiscal Year 2009 budget to help make this happen.

I understand that the Budget Committee is being asked to make these funding decisions in the context of a deficit. However, the Federal Government has an obligation to invest in future growth. Our nation's historical commitment to education, health care, and innovation and competitiveness has served us well, and we must reaffirm that commitment in the FY 2009 budget resolution.

I respectfully ask the committee to fully fund IDEA and provide substantial increases for the No Child Left Behind Act, allocate sufficient funding for vital health programs, and ensure that we can maintain our international competitiveness in science and innovation. Thank you for the opportunity to testify.

Mr. ETHERIDGE. I thank the gentleman for his testimony. Thank you, sir.

The next member to testify will be the gentleman from Vermont, Mr. Welch. Welcome. We are pleased to receive your testimony. You are recognized for five minutes. And without objection, your full statement will be entered into the record.

#### **STATEMENT OF HON. PETER WELCH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VERMONT**

Mr. WELCH. Mr. Chairman, thank you very much. Rather than make a traditional presentation dealing with the specifics of the President's budget, I would like to use my time, if I could, to talk about its real world impact on people that I represent in Vermont. There are Vermonters who will be directly affected by the decisions that we make in this budget.

Scott West, Mr. Chairman, is a veteran of the National Guard. He lives in the town of Albany in the Northeast Kingdom of Vermont. He used to drive a truck for a living. And when he was deployed to Kuwait in support of Operation Iraqi Freedom, he suffered severe injuries to his shoulder, back, and wrist. In May, the pain from his injuries got so bad he could not continue his job as a truck driver.

Nine months ago, he filed his claim for increased disability compensation from the VA. As of today, he continues to wait for the VA to process paperwork and award him the benefits to which he is entitled. And his next hearing is not scheduled until April 15, which will be nearly a full year from when he filed his claim. He has run out of money and his bills continue to mount.

Last year, this Committee made an unprecedented commitment to the care of our nation's veterans budgeting the largest increase in the 77-year history of the VA and a larger increase than the

combined total of the six previous years in Congress. And good work.

This increase is going to allow the VA to hire an additional 1,800 claim processors to help ensure that veterans like Scott will receive in a timely way the support they have earned. And I thank the Committee and the leadership for its commitment there.

Peter and Irma McShane, they live in Pownal, Vermont, senior citizens, live frugally on \$1,452 per month. Yet, on that limited amount of money, they are \$22.00 too much to quality for food stamps, so they have a tough time trying to make their family budget with coupons and shopping around for the best deals. But no amount of their thriftiness can make up for the dramatic increases in the cost of home heating oil.

Purchasing enough heating oil last winter cost the McShanes over \$1,500. That is over a month of what their total income is. As the cold weather began to hit Vermont last fall, Peter and Irma needed help or they were not going to be able to afford to heat their home. They applied for fuel assistance through the state in November and received help through LIHEAP, the Low Income Heating Assistance Program.

That is an indispensable program to ensuring that Vermonters like the McShanes do not have to choose between heating and eating. And even as fuel prices have skyrocketed, tripling, as you know, since 2001, the Bush budget would cut LIHEAP by \$367 million below the amount needed to maintain services at the current level.

Vermont alone would lose \$1.87 million when adjusted for inflation and I strongly encourage the Committee to restore and expand LIHEAP funding so that none of our neighbors already struggling to get by are put at risk when confronted with heating their homes next winter.

Meanwhile, I would like to share a letter I received a couple of weeks ago from Margaret Kenney of Fletcher, Vermont about healthcare and the rising premiums and the rising deductibles that raise the question of whether it is even practical to have insurance.

She and her husband ran their own woodworking business for 13 years, often working six and seven days a week. Each year, her health insurance cost more and provided less. Her deductibles have increased from \$5,000 to \$10,000 and now she has got "insurance" with a \$25,000 deductible.

And what she writes is this. This to me translates to no insurance. We actually avoid going to the doctor because we cannot do that and afford the monthly premiums. We are seriously thinking about giving it up and going with no insurance. We are still in our sixties, still a few years away from Medicare, and it seems to be the wrong time in our lives to be without insurance.

Now, we cannot fix our nation's healthcare crisis through the federal budget alone. It is going to, of course, require a comprehensive healthcare reform. But, unfortunately, President Bush's proposed budget takes us exactly in the wrong direction, calling for a half a trillion dollars in cuts to Medicare and Medicaid.

These cuts will force states to cut back on coverage and will further raise insurance premiums by exacerbating the cost shift. And I encourage the Committee to reject these reckless cuts and to

work to ensure that families like the Kenneys can obtain coverage at an affordable price.

I want to just tell a story about Chief Bossi, Anthony Bossi from the City of Rutland. They have seen a frightening increase in violent crime and drug abuse over the past year and they have had multiple drug-related shootings in recent months.

The scope of the problem cannot be addressed by the limited resources available in the Rutland Police Department and Chief Bossi relies on funding from federal sources to expand Rutland's law enforcement activities.

And despite the proven record of the Byrne Grant Program in reducing crime in Vermont and across the county, the Bush budget would cut funding by 174 million below what is needed simply to maintain services at the current level, something that would translate in Vermont losing \$435,000 or 13 police officer positions.

And the City of Rutland is by no means alone in their need for additional resources to fight the very severe problem of illegal drugs. Towns in all corners of Vermont, Rutland, Barre, Saint Albans are experiencing similar issues.

And, finally, Mr. Chairman, Gretchen Austin Ward, a mother of three from Windsor, recently called my office to express her desperation about the rising cost of college education. Already burdened by the debt of sending her first two kids through college, she simply literally cannot afford to send her third child to college.

When we first began offering Pell Grants in the 1970s, they covered 77 percent, and I know you are extremely familiar with this, 77 percent of the average cost of a four-year public institution. Today it is 36 percent.

We have taken some positive steps in Congress over the past year, cutting interest rates on Stafford loans, increasing the size of the Pell Grant. We made the largest commitment to college affordability since the GI Bill passed in 1944. But we have got to continue the effort and fund these programs.

But at the same time, the Federal Government cannot simply write a blank check to our country's institutions. We do have to make sure that the higher education institutions help us on the cost side.

Mr. Chairman, thank you again for the opportunity to convey these Vermont stories to you today. I look forward to working with you and the Committee over the next several weeks to help craft a budget that is fiscally responsible, but absolutely reflects the needs and priorities of Vermonters and all Americans. Thank you, Mr. Chairman.

[The prepared statement of Peter Welch follows:]

PREPARED STATEMENT OF HON. PETER WELCH, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF VERMONT

Mr. Chairman, Ranking Member Ryan, and Members of the Committee, I would like to thank you for this opportunity to discuss the federal budget and its impact on the State of Vermont. The federal budget is not an abstract document confined to the halls of Washington. Rather, it has a direct impact on citizens across the country.

Rather than make a traditional presentation detailing the impact of the President's budget on programs, I would like to use my time today to illustrate its real world impact on people, in particular, the people I represent in Vermont. I want to share with you the voices of Vermonters by highlighting the cases of several



Vermonters I have talked to over the last year. These are Vermonters for whom the decisions we make in this budget will make a real difference in their ability to make ends meet in these difficult economic times.

Scott West is a veteran of the National Guard who lives in the town of Albany in the Northeast Kingdom of Vermont. He used to drive a truck for a living. While deployed to Kuwait in support of Operation Iraqi Freedom, Scott suffered injuries to his shoulder, back, and wrist. In May the pain from his injuries got so bad that he couldn't continue his job as a truck driver.

Nearly nine months ago Mr. West filed a claim for increased disability compensation from the VA, and as of today, he continues to wait for the VA to process his paperwork and award him the benefits to which he is entitled. His next hearing isn't scheduled until April 15, which will be nearly a full year from when he first filed his claim. Meanwhile, he has virtually run out of money and his bills continue to mount.

Last year, this Committee made an unprecedented commitment to the care of our nation's veterans, budgeting the largest funding increase in the 77-year history of the Veterans Administration and a larger increase than the combined total of the six previous years in Congress. This increase will allow the VA to hire an additional 1,800 claims processors to help ensure that veterans like Scott will receive the support they deserve in a timely manner. I thank you for your leadership and would respectfully encourage the Committee to continue this commitment to veterans as it develops a budget for 2009.

Peter and Irma McShane live in Pownal, Vermont. They are senior citizens who live very frugally on \$1452 per month with very little, if any, to spare. Incredibly, they make \$22 too much to qualify for food stamps, so they always use coupons and shop around to make sure they get the best deals on basic necessities.

But no amount of thriftiness can make up for the dramatic increases in the price of home heating oil we have seen in the last year. Purchasing enough heating oil to last the winter would cost the McShanes over \$1500. As the cold weather began to hit Vermont last fall, Peter and Irma needed help, or they were not going to be able to afford to heat their home. Fortunately, they applied for fuel assistance through the state in November and received much needed help through the Low-Income Home Energy Assistance Program (LIHEAP).

LIHEAP is indispensable to ensuring that Vermonters like the McShanes don't have to choose between heating their home or putting a meal on the table. Even as fuel prices have skyrocketed, tripling since 2001, President Bush's budget would cut LIHEAP by \$367 million below the amount needed to maintain services at the current level. Vermont alone will lose \$1.87 million when adjusted for inflation. I strongly encourage the Committee to restore and expand LIHEAP funding so that none of our neighbors already struggling to get by are put at risk when confronted with heating their homes next winter.

Meanwhile, I would like to share with you a letter I received a couple of weeks ago from Ms. Margaret Kinne of Fletcher, Vermont about the rising cost of health care premiums that force her to pay deductibles so large that it calls into the point of even having insurance. She and her husband ran their own woodworking business for 13 years, often working 6 or 7 days a week. Each year, her health insurance always cost more, and provided less coverage. Her deductibles have increased from \$5,000 to \$10,000 to \$25,000. She writes:

"This to me translates to no insurance \* \* \* we actually avoid going to the doctor because we can't do that and afford the monthly premiums. \* \* \* We are seriously thinking about giving it up and going with no insurance \* \* \* but we are in our sixties (still a few years from Medicare) and it seems to be the wrong time in our lives to be without insurance."

While we cannot fix our nation's healthcare crisis through the federal budget alone—this will require comprehensive health care reform, which I support—we can help by making investments that lower cost and extend coverage. Unfortunately, President Bush's proposed budget takes us in exactly the wrong direction, calling for over half a trillion dollars in cuts to Medicare and Medicaid. These cuts will force states to cut back on coverage and will further raise insurance premiums by exacerbating the cost shift. I encourage the Committee to reject these reckless cuts and to work to ensure that families like the Kinnes can obtain coverage at an affordable price.

I recently had the chance to sit down with Police Chief Anthony Bossi from the city of Rutland, Vermont. Rutland has seen a frightening increase in violent crime and drug abuse over the past year and has experienced multiple drug related shootings in recent months. The scope of the problem is beyond what can be addressed with local and state resources alone. So Chief Bossi relies on funding from the federal sources to expand Rutland's law enforcement and drug prevention capabilities.

Despite the proven track record of the Byrne grant program in reducing crime in Vermont and across the country, President Bush would cut funding by \$174 million below what is needed to maintain services at the current level. In Vermont, this will result in a loss of \$435,000, essentially defunding as many as 13 police officer positions. The city of Rutland is not alone in their need for additional resources to fight the scourge of illegal drugs in their community. Towns in all corners of Vermont, from Rutland, to Barre, to St. Albans, are experiencing similarly worrisome trends. For those communities, small and large, that are struggling to prevent violent crime, I urge the Committee to reverse this cut.

Finally, a mother from Windsor recently called my office to express her frustration about the rising cost of a college education. Already burdened by the debt of sending her first two children through college, she simply cannot afford to send her third child to school.

When we first began offering Pell grants in the late 1970s, they covered 77 percent of the average cost of a four-year public institution. Today, they cover just 36 percent. This trend cannot continue.

Congress has taken positive steps over the past year, cutting the interest rates on Stafford loans and increasing the size of the Pell grant. We made the largest commitment to college affordability since the GI Bill passed in 1944. We must now work to fully fund these critical programs.

But at the same time, the Federal Government cannot simply write blank checks to our country's institutions of higher education. If every increased dollar in financial aid gets burned by an increased dollar in tuition, students, families, and taxpayers will continue to fall behind. While we must provide financial assistance to families in need, we must insist that colleges and universities do more to reduce costs and stem the hikes in tuition rates.

Thank you again for the opportunity to convey these Vermont stories to you today. I look forward to working with you over the next several weeks to craft a budget that is fiscally responsible and reflects the needs and priorities of Vermonters and of all Americans.

Mr. ETHERIDGE. I thank the gentleman for his testimony and thank you for your commitment.

And without objection, the Committee stands in recess subject to the call of the Chair.

[Recess.]

Mr. MOORE [presiding]. Good afternoon. The next member to testify is Congressman Filner. And welcome. We are pleased to receive your testimony. You are recognized for five minutes.

#### **STATEMENT OF HON. BOB FILNER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA**

Mr. FILNER. Thank you, Mr. Chairman. Good to talk to you. We should just have a little coffee and talk about this.

Mr. MOORE. Right.

Mr. FILNER. My statement, I have for the record. Let me just tell you what I think is going on here on a very summary basis.

With the leadership of your Committee and the Democratic leadership, we were able to do a really good job for veterans in the last year. We added money in the concurrent resolution from the year before. We added money in the supplemental resolution. And, of course, there was a big increase in the fiscal 2008 budget.

So I thank all of you and Mr. Spratt for that leadership. We hope to continue that upward trend because we have a long number of years which we did not keep up with the needs.

And we have a confluence of enormous numbers of troops coming home from Iraq and Afghanistan with the aging especially of our Vietnam vets. We have got to take care of both.

Mr. MOORE. Absolutely.

Mr. FILNER. By the way, we think of it as a small war in Iraq. We are approaching a million veterans from that war alone and their filing of claims is over 350,000 now out of that number.

Contrast that, Mr. Moore, with the official 25,000 or so casualty figure that comes out of Iraq, we have got, you know, ten or more times that people filing claims. So something is disconnected there.

And as the needs are different with mental health and traumatic brain injuries so prevalent, you have to build a whole staff around new needs. So we have incredible need amongst both the older veterans and newer veterans.

The Administration in their request did not take that into account. They gave basically a five percent or so increase in the health budget, in the so-called discretionary part of their budget which barely covers inflation. And the only way they even got up to that is that they cut virtually every other account in their budget. Research, for example. And, cutting research is not a good idea. And we have provided you where they made all those other cuts.

And also they did something they have done every year for the last seven or eight years, and Congress has never accepted, but had fees and co-pays raised for both pharmacy and for office visits. Congress has never accepted it. We will not accept it this year. So we have got to make up for that money that they included in their budget as revenue.

So what we do is recommend to you a discretionary budget which is about eight and a half percent above the Administration's request. I am trying to see if I have that figure here. It is about an eight percent, a real increase, not just the phony, because with the fees in there.

And if you know what I mean when I say the Independent Budget which is put together by the major veterans' groups, they put together every year, and as a Ranking Member, I was waving that around. It says that is what we ought to fund, that is what we ought to fund. And we have a percent higher, in fact, of our recommendations above the Independent Budget. So that will put us in a position with regards to the veterans community in this country very significant.

So, again, our recommendation increases the Administration's request to a real request that takes into account that inflation, but also adds to all the accounts that they decreased. And we need to make up on the mandatory side the money that they assume will come from revenue of increased co-payments.

Our four priorities for the coming year are, one, getting rid of the current backlog of disability claims, which is over 600,000, and we will have plans to do that. There have been in past budgets plus-ups, significant plus-ups of personnel, but we are going to try to cut it through with a different approach to viewing the claims, not as an adversary basis, but on the way now the IRS tends to treat your 1040 when you filed. If you have a refund check, you will get it in three weeks. Then they will audit it later. That is what we would like to see of the disability claims system.

We have to modernize the GI Bill for the 21st century. We want to make sure everybody gets mental healthcare and we will probably present a more controversial proposal to make the healthcare spending part of the mandatory part of the budget. But that will

be coming to you separately. It has no budget consequences, you know, in numbers. It is a way of treating the budget in the future.

We think our recommended views and estimate will put us in a position where this Congress can say to our veterans both the new ones and the old ones we value your service, we treat you with respect, and we are going to take care of your healthcare needs.

That is what we hope to do with your help, Mr. Chairman.

[The prepared statement of Bob Filner follows:]

PREPARED STATEMENT OF HON. BOB FILNER, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF CALIFORNIA

Chairman Spratt, Ranking Member Ryan, thank you for hearing my views regarding the proposed FY 2009 budget for the Department of Veterans Affairs (VA). On Monday, February 4, 2008, the Administration submitted its budget for FY 2009 and just three days later, on February 7, 2008, the Committee on Veterans' Affairs held a hearing to examine that budget submission. The Committee is concerned that the Administration's Budget for FY 2009 contains only modest increases for veterans' health care while paying for this increase with cuts in other veterans' programs below the historic levels this Congress provided last year. Our Committee Views and Estimates contain concrete recommendations regarding the points I will be touching upon briefly today.

Caring for our veterans is an ongoing cost of war, and a continuing cost of our national defense. As we look toward the end of this Congress, a Congress that has provided unprecedented increases for veterans' programs, we must build upon the work we have done and provide the VA with the resources it needs to get the job done for our veterans and to fulfill our national promises.

Although the Administration has requested an increase for Medical Care, this increase has come at the expense of other VA programs. The VA's FY 2009 budget recommends a 5.5 percent increase for Medical Care, while recommending cuts in VA major and minor construction of nearly 44 percent; nearly 49 percent for Grants for Construction of State Extended Care Facilities; nearly 8 percent for VA Medical and Prosthetic Research; slightly more than 7 percent for the National Cemetery Administration; 19 percent for Grants for Construction of State Veteran Cemeteries; and, 5 percent for the Office of Inspector General.

I am pleased the Administration asked for an increase in appropriated dollars this year for veterans' programs. The Administration, for VA discretionary programs, requested \$44.8 billion, an increase of \$1.7 billion, or 3.8 percent, over the FY 2008 level of \$43.1 billion. Funding for the Veterans Health Administration (which includes VA Medical Care and VA Research) comprises 88 percent of the VA discretionary budget. The Administration is requesting \$38.7 billion for VA Medical Care (comprising the Medical Services, Medical Administration,\* and Medical Facilities accounts) an increase of \$2 billion, or 5.5 percent, over the FY 2008 level of \$36.721 billion. When medical care collections are included, the Administration is recommending a funding level for VA medical care of \$41.2 billion (compared to \$39.1 billion in FY 2008), an increase of \$2.1 billion.

The request for veterans' funding for FY 2009 is simply not adequate. An increase for Medical Services of \$361 million will not begin to meet the requirements imposed on the system by workload increases and increases attributable to medical inflation. When the Administration's proposed increase for the three accounts that comprise medical care of 5.5 percent are compared to a 2007 medical inflation rate of 5.2 percent, it is clear the Administration's request is not sufficient to continue providing high-quality health care to our veterans. The VA health care budget request represents a good initial step, but it is only a step—Congress must complete the journey.

Traumatic Brain Injury (TBI) is considered by many to be the signature injury of this war. We must ensure the VA has the resources it needs to begin tackling the issues surrounding TBI, as well as the resources it needs for VA Polytrauma centers to treat our most critically wounded veterans. The Committee recommends an additional \$32 million for TBI care and treatment, a 15 percent increase above the FY 2009 estimated levels. The Committee believes the VA must be in the forefront of providing health care to our veterans with TBI.

Homelessness among veterans is an ongoing problem, and a major concern of the Committee on Veterans' Affairs. The Committee recommends an additional \$8 million to bring the VA's Grant and Per Diem program up to the levels authorized in the 109th Congress. The Committee will address changes to the Grant and Per

Diem program where appropriate in order to begin to effectively address the tragedy of homeless veterans.

The Administration budget slashes funding for building new health care facilities and reduces investment in medical and prosthetic research. In the area of Major Construction for FY 2009, the Administration is requesting \$582 million, a decrease of \$488 million, or 46 percent, and in Minor Construction the Administration requested \$329 million, a decrease of \$301 million, or 48 percent below the level provided in FY 2008. The Committee recommends a funding level for Major Construction of \$1.1 billion, \$511 million above the Administration's request, and a level of \$674 million, or \$344 million above the Administration's request for Minor Construction.

As of February 16, 2008, the inventory of compensation and pension claims pending at the VA was 663,319, an increase of 5,351 from the previous week, and 36,890 above the 626,429 claims pending this time last year. (Source: VA Monday Morning Workload Report, February 16, 2008). The Committee believes that the VA must embrace non-traditional ideas to solve the claims backlog issue, and is recommending that \$50 million be provided to explore various pilot programs and initiatives that could revolutionize the process by which veterans receive the benefits they have earned. The Committee also believes that the VA may need to employ a more radical adjudication process of backlogged claims which may require additional funding.

Sadly, the Administration has once again presented us with a request that slashes funding for VA research. The Committee recommends funding to restore the proposed cuts of \$38 million, as well as providing increases for biomedical inflation and overall research grants, for a total of \$555 million, \$75 million above the FY 2008 level and \$113 million above the Administration's request. VA research is of direct benefit to veterans, and to all Americans, and it is absolutely essential that medical researchers understand that funding will be available not only today, but for the years to come.

Unfortunately, this budget submission also includes legislative proposals that have consistently been rejected by Congress, including the institution of an enrollment fee and increased pharmaceutical copayments (from \$8 to \$15) for certain veterans. The Administration's enrollment fee proposal would take effect in FY 2010 and would charge priority 7 and 8 veterans an annual enrollment fee of anywhere from \$0 to \$750 dollars based on family income. The revenues received from this proposal would be deemed "mandatory" revenues and be deposited in the U.S. Treasury. Likewise, the amounts attributable to the increased pharmacy copayment would also be deemed "mandatory" revenues. These amounts are netted out of the overall mandatory funding request of the VA. The VA has estimated that as many as 444,000 veterans would choose not to be enrolled in the VA and as many as 146,000 individual veterans would not seek VA health care if its enrollment fee and co-payment proposals were adopted. Although these proposals do not affect the Administration's FY 2009 request for discretionary resources, we understand they are included in the Administration's 5-year mandatory spending projections, and that this Committee will have to fill the gap. I imagine you share the same frustration we do that this Administration continues to offer these proposals year-after-year in the face of concerted, and bipartisan, congressional opposition.

Finally, I am concerned the VA's budget request does not include adequate funding to meet the health care needs of our veterans in the coming year. We are still faced with the Administration's refusal to lift the enrollment ban of new priority 8 veterans, which has been in place since January 2003. The VA again submitted a budget that assumes the continuation of this enrollment ban. We face the very real prospect of more and more of our veterans facing economic hardships and losing access to medical care. There are too many uninsured veterans who need medical care and cannot afford it.

The Committee's Views and Estimates builds upon the Administration's request, restores proposed cuts, and provides higher recommended levels for VA medical care and overall discretionary accounts than the Independent Budget.

Ensuring veterans are provided promised benefits and services are issues that we as a Congress must continue to take seriously. We have to give the VA the resources needed to care for returning OEF/OIF veterans, and we must ensure resources are available for veterans from previous conflicts. This won't be cheap, but the service and sacrifice of these veterans are real, and the VA's budget must provide realistic funding to meet their needs. Veterans should not have to wait for health care appointments because the VA does not have the resources to care for them. We have to ensure sufficient funding levels in the FY 2009 budget resolution to meet mental health needs, the needs of women veterans, the unique needs of returning service members, and to deal with veterans who are homeless, which is a national tragedy.

As this Committee is aware, there are many veterans' groups who advocate providing VA health care funding from the mandatory side of the ledger, as compared to the current system of providing discretionary funding. There are also many on the Veterans' Affairs Committee who believe the solution to the budget problems faced by the VA is mandatory funding. I ask that we work together to fully explore this option and ways to provide VA health care funding in a sufficient and timely manner.

The Montgomery GI Bill (MGIB), implemented over 20 years ago, was a landmark piece of legislation that provides education and training benefits to many veterans. The time has come to update, modernize, and provide greater flexibility to meet the needs of today's veterans. The Committee plans to explore a number of options to improve and modernize the GI Bill and bring equity to our veterans that serve in the Guard and Reserves.

Lastly Mr. Chairman, I would ask that as we contemplate further spending on the war in Iraq through the supplemental process; that we also keep in mind the warriors. Any supplemental we have for the war should also include funds for the warrior.

Mr. Chairman, this concludes my remarks. We have a lot of work ahead of us if we are to keep our promises to veterans. Working together, we can make sure our veterans are not forgotten, and that we meet our obligations to them as a nation.

- The Administration is proposing to abolish the Medical Administration account and subsuming its functions within the Medical Services account.

Mr. MOORE. Congressman Filner, I want to thank you for your service as Chairman of the Veterans' Affairs Committee. And I appreciate your testimony here today.

I tell my folks back home, whatever you think about the situation in Iraq, we all have a special obligation and a moral obligation to support our people who serve, their families, and our veterans. And I think most people in this country now appreciate and understand that responsibility unlike back during Vietnam, as you will recall. So I appreciate your testimony here today and what you are doing.

I think we have also just seen the tip of the iceberg as far as traumatic brain injury and PTSD folks returning from Iraq and Afghanistan. And it may take months or sometimes two or three years for some of those symptoms to start to show up, but we have got to be prepared to provide the services to our people. So thank you, sir.

Mr. FILNER. Thank you again.

Mr. MOORE. The Committee stands in recess subject to the call of the Chair without objection.

[Recess.]

Mr. MOORE. The next member to testify is Congressman Chris Carney. And welcome to the Budget Committee today. We are pleased to receive your testimony. You are recognized for five minutes.

**STATEMENT OF HON. CHRISTOPHER P. CARNEY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF PENNSYLVANIA**

Mr. CARNEY. Good afternoon, Chairman Moore. Thank you for this opportunity.

As I have met with people from all over Pennsylvania's 10th Congressional District, I have identified a number of key issues that are of tremendous importance to families, businesses, and communities in northeast and central Pennsylvania.

I respectfully urge you to take into consideration the following budget priorities: The Clean Water State Revolving Fund; Medi-

care; Federal Aid; Highway Program; and Home Heating Assistance.

I urge you to reject President Bush's proposal to cut \$555 million in funding for the Clean Water State Revolving Fund or SRF. This is \$148 million below the level needed to maintain current services.

Our nation faces a difficult budget situation. And as a fiscal conservative, I agree that appropriate budget cuts are necessary, but cutting the Clean Water State Revolving Fund will hurt our local communities and cause undue hardship to those communities that are now losing money in a number of other ways.

I have heard from municipalities all over the district that they are facing a tremendous burden to upgrade the waste water infrastructure with an increasing pressure to do so that complies with the Chesapeake Bay resolutions.

As you know, the SRF provides grants to all 50 states to be distributed as low interest or zero interest loans for high-priority water quality activities with an emphasis on sewage treatment plant upgrades.

These are the precise needs of our communities in northeast and central Pennsylvania. In fact, the SRF loans are the primary source of capital for sewage treatment plant upgrades throughout the nation.

In Pennsylvania, the President's cut to the SRF means a reduction of over \$6 million. This is unacceptable. I strongly urge you to increase the allocation for the SRF so that municipalities in northeast and central Pennsylvania have the resources to make these necessary sewage upgrades. We cannot continue to pass the buck to our local communities.

I urge you to reject President Bush's proposed cut of funding \$556 million for Medicare over ten years. These budget cuts are bad for our seniors and our taxpayers. These cuts will end up costing the taxpayer more money as patients seek emergency room care which is more expensive for the minor ailments of which they suffer.

In addition, these cuts increase the likelihood that such basic healthcare denials will result in more costly disease in the long run.

I urge you to reject President Bush's proposed cuts to federal aid for the Highway Program. Specifically the President's budget proposal is \$800 million below the level needed to maintain current services, providing only \$39.4 billion for 2009. This budget proposal jeopardizes a major component of this nation's transportation infrastructure. From a practical perspective, our nation's highways have benefitted the American public with less expensive consumer products because they have really reduced the businesses' need to build and maintain costly warehousing facilities.

But even more troubling is the cost in real dollars and real lives that we witnessed in the past summer with the collapse of the I-35 Bridge in Minnesota. We must not allow another tragedy like that to happen. The safety of motorists is the most serious issue we face.

Of the 22,327 bridges in Pennsylvania, 5,582 of them or 25 percent are deficient. In our district alone, there are 29 structurally

deficient bridges according to the U.S. Department of Transportation.

We must and we can rectify these deficiencies. Under the President's proposal, Pennsylvania stands to lose nearly \$29 million.

And, finally, I urge you to reject the President's cut to home heating oil assistance. Under the President's budget proposal, Pennsylvania will lose nearly \$22 million for home heating assistance. This places many working class and elderly families in real jeopardy of severe injury or death from exposure to extreme cold.

From a practical perspective, providing modest assistance for home heating oil will reduce costly medical bills and emergency room care for illnesses that are very easily preventable with a few dollars of investment in home heating. With the skyrocketing fuel costs, home heating assistance is extremely vital for our struggling families and seniors.

I look forward to working with you to ensure that we adopt a budget that makes the needed investments in important programs such as clean water, Medicare, federal highways, and low-income home heating energy.

Thank you for your consideration, Mr. Chairman.

[The prepared statement of Christopher P. Carney follows:]

PREPARED STATEMENT OF HON. CHRISTOPHER P. CARNEY, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF PENNSYLVANIA

Good Afternoon Chairman Spratt, Ranking Member Ryan and Members of the Committee, I appreciate the opportunity to appear before you regarding the Fiscal Year 2009 budget process.

I have met with people from all over Pennsylvania's 10th district and identified a number of key issues that are of tremendous importance to families, businesses and communities in northeast and central Pennsylvania. I respectfully urge you to take into consideration the following budget priorities: The Clean Water State Revolving Fund, Medicare, Federal-Aid Highway Program and Home Heating Assistance.

1) I urge you to reject President Bush's proposal to cut \$555 million in funding for the Clean Water State Revolving Fund (SRF). This is \$148 million below the level needed to maintain current services.

Our nation faces a difficult budget situation. As a fiscal conservative, I agree that appropriate budget cuts are necessary, but cutting the Clean Water State Revolving Fund will hurt our local communities. I have heard from municipalities and townships in northeast and central Pennsylvania that they are facing a tremendous burden to upgrade the waste water infrastructure—with increasing pressure to do so in a way that does not harm or pollute the natural beauty of the Susquehanna River.

As you know, the SRF provides grants to all 50 states to be distributed as low interest or zero interest loans for high-priority water quality activities—with an emphasis on sewage treatment plant upgrades. These are the precise needs our communities in northeast and central Pennsylvania are facing. In fact, SRF loans are the primary source of capital for sewage treatment plant upgrades throughout the nation. In Pennsylvania, the President's cut to the SRF means a reduction of over \$6 million dollars. This is unacceptable. I strongly urge you to increase the allocation for the SRF so that municipalities in northeastern and central Pennsylvania have the resources to make these necessary sewage upgrades. We cannot continue to pass the buck to our local communities.

2) I urge you to reject President Bush's proposal to cut funding \$556 for Medicare over ten years.

These budget cuts are bad for our seniors and our taxpayers. These cuts will end up costing the tax payer more money as patients seek emergency room care, which is much more expensive, for minor ailments. In addition, these cuts increase the likelihood that such basic health care denials will result in more costly disease in the long run.

3) I urge you to reject President Bush's proposal to cut funding for the Federal-Aid Highways Program. Specifically, the President's budget proposal is \$800 million



below the level needed to maintain current services, providing only \$39.4 billion for 2009.

This budget proposal jeopardizes a major component of this nation's transportation infrastructure. From a practical perspective, our nation's highways have benefited the American public with less expensive consumer products because they have reduced businesses' need to build and maintain costly warehousing facilities. But even more troubling is the cost in real dollars and real lives that we witnessed this past summer with the collapse of the I-35 Bridge in Minnesota. We must not allow another tragedy like that to happen. The safety of motorists is the most serious issue we face. Of the 22,327 bridges in Pennsylvania, 5,582 or 25% are deficient. In our district alone there are 29 structurally deficient bridges, according to the U.S. Department of Transportation. We must and can rectify these deficiencies. Under the President's proposal Pennsylvania stands to lose nearly \$29 million.

4) Finally, I urge you to reject the President's cut to home heating assistance. Under the President's budget proposal, Pennsylvania will lose nearly \$22 million for home heating assistance. This places many working-class families in real jeopardy of severe injury or death from exposure to extreme cold. From a practical perspective, providing modest assistance for home heating will reduce costly medical bills and emergency room care for illnesses that are very easily preventable with a few dollars of investment in home heating. With skyrocketing fuel costs, home heating assistance is extremely vital for our struggling families and seniors.

I look forward to working with you to ensure that we adopt a budget that makes needed investments in important programs such as the Clean Water State Revolving Fund; Medicare; the Federal-Aid Highways Program; and the Low-Income Home Energy Assistance Program.

Thank you for your consideration.

Mr. MOORE. Thank you for your testimony today.

I really appreciate it. I see no Budget Committee members here to ask you questions. I have none. So, Congressman Carney, thank you very much.

Mr. CARNEY. Thank you very much, sir.

Mr. MOORE. Absolutely.

The Committee will stand in recess until the next witness appears.

[Recess.]

Mr. MOORE. Good afternoon.

Mr. LEWIS. Good afternoon, Mr. Chairman Moore.

Mr. MOORE. The Committee will come to order. And the Chair recognizes the next member to testify, Congressman John Lewis of Georgia. Welcome. We are pleased to receive your testimony this afternoon, Congressman Lewis, and you are recognized for five minutes, sir.

#### **STATEMENT OF HON. JOHN LEWIS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF GEORGIA**

Mr. LEWIS. Thank you very much, Mr. Chairman. Mr. Chairman, I thank you for the opportunity to share my concern about the 2009 budget.

The President's budget proposal does not reflect the values of the American people and the needs of our states and our communities. In my estimation, it is immoral and it is unjust.

I ask you to look at the full picture. People are struggling, Mr. Chairman. They are struggling to pay their mortgages and heating bills. They are struggling to fill their tanks to drive to work. They are struggling to feed their families. They are struggling to pay college expenses for their children.

Let me begin with the attack on the federal health program. It is completely irresponsible. At a time when more and more people are without health insurance, we should be doing more, not less,

to preserve access to healthcare. I happen to believe that healthcare is not a privilege, but a right.

Across this country, we do not have enough health professionals to serve everyone in need. Nowhere is this more pronounced than in the minority communities throughout our nation.

Title VII programs have been successful in training health professionals who serve rural and urban under-served communities and has increased diversity in our health workforce by graduating five times more minority students than traditional programs.

However, since 2005, the funds have been cut by more than 50 percent, having a devastating impact on good programs like those at Morehouse School of Medicine in my district. We must increase the funding of Title VII to \$300 million.

Another area of great concern to me and the people that I represent, it is the unbelievable backlog in processing Social Security Disability appeals. Atlanta has the largest backlog in the country and it takes an average of 808 days to get an appeal heard.

People are waiting years for disability benefits that they deserve. Every month, they call our office wondering how they will pay their electric bill and their rent because they are too disabled to work. That is just wrong.

I have, Mr. Chairman, 51 disabled citizens in our district who are waiting for Social Security Disability benefits and have contacted me for help. The oldest case that my office has been involved in has been pending since August 14, 2004. That is unacceptable.

I am encouraged to hear, Mr. Chairman, that you are working closely with the Ways and Means Committee to increase funding for the Social Security Administration. And we appreciate it.

I join my colleagues in recommending funding the Social Security Administration at \$10.327 billion plus \$504 million outside of the discretionary spending cap.

We must not tolerate the kinds of backlogs that force disabled Americans to live in poverty or to die while waiting for their benefits they are entitled to. This needs to be a priority in our budget and we must not continue to have business as usual.

Another pressing issue in Atlanta and around our nation is homelessness. There are some very good and decent people who have been homeless for years. They come to my office in Georgia. We give them Cokes and peanuts. One young man comes in every day, every single day, about 10:15 in the morning, right on time, to get a Coca-Cola and a package or two of peanuts. We know this man and so many others by name. We do what we can for them.

Many of the homeless in Atlanta are Vietnam veterans. How did we draft people and send them to war and when they return leave them on the street? No matter what reason, no matter who made choices in life, leaving our war veterans in the cold, dark streets is wrong. It is wrong. It is just dead wrong.

The Homeless Provider Grant and Per Diem Program is the largest VA program of its kind. You have been called to increase authorizing funds for this program to \$200 million. The program is working, but we need to do more for our homeless. I recommend funding this program at \$200 million for this year and in the future.

In closing, Mr. Chairman, I would just like to say that I know that we can present a budget that reflects the values of our country. We can begin by taking a hard look at how the government spends money.

Are we really saving money by privatizing the most basic service of the Federal Government through huge contracts to corporations that do not pay tax and really serve our best interest? These are questions that must be answered so that we can really help those who are suffering in this nation.

Mr. Chairman, again, I want to thank you for the opportunity to appear here today. I look forward to working with you on these issues and other important issues that affect all of our citizens, not just in Georgia, but in your state and your district and throughout our nation. Thank you for hearing me, Mr. Chairman.

[The prepared statement of John Lewis follows:]

PREPARED STATEMENT OF HON. JOHN LEWIS, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF GEORGIA

Good afternoon, Mr. Chairman, Mr. Ranking Member, and Members of the Committee. Thank you for the opportunity to share my concerns about the fiscal year 2009 budget.

The President's budget proposal does not reflect the values of the American people. It ignores the needs of our States and our constituents. It is immoral. It is unjust.

I ask you to look at the full picture. People are struggling, Mr. Chairman. They are struggling to pay their mortgages and heating bills. They are struggling to fill their tanks to drive to work. They are struggling to feed their families. They are struggling to pay for college.

In my home state of Georgia, the President's budget proposal would mean at least \$150 million in cuts for critical programs—like the Clean Water State Revolving Fund, Social Services Block Grants, Federal-Aid Highway Programs, and Career and Technical Education.

Mr. Chairman, people are suffering and struggling to stay above water. We need to increase funding for unemployment insurance, training and education programs. We need to support and restore faith in the American workforce. We are sacrificing everything for an unjust, never-ending war. And the Administration will not even tell the truth about how much more it will cost us.

And the cuts are not just in the budget. On one side, the administration is adopting regulations that will destroy basic State social services. These services help the disabled, the elderly, the sick, and neglected and abused children.

On the other hand, the administration proposes flat-levels of funding for important agencies like child welfare services and independent living and training programs.

Then he goes one step further by proposing \$500 billion in cuts to Medicare and Medicaid. The attack on federal health programs is completely irresponsible. At a time when more and more people are without health insurance, we should be doing more, not less to preserve access to health care. It is a mean spirited attack on the people of this country.

Across this country we do not have enough health professionals to serve everyone in need. Nowhere is this more pronounced than in the minority communities. Title VII programs have been successful in training health professionals, who serve rural and urban underserved communities, and have increased diversity in our health workforce by graduating 5 times more minority students than traditional programs. However, since 2005, the funds have been cut by more than 50 percent, having a devastating impact on good programs like those at Morehouse School of Medicine, in my district. We must increase the funding for Title VII to \$300 million.

Another area of great concern to me and my constituents is the unbelievable backlog in processing Social Security Disability Appeals. Atlanta has the largest backlog in the Country and it takes an average of 808 days to get appeals heard. People are waiting YEARS for disability benefits that they deserve. Every month they call our office wondering how they will pay their electrical bill and their rent, because they are too disabled to work. That is just wrong.

I have 51 disabled constituents who are waiting for Social Security disability benefits and have contacted me for help. The oldest case that my office has been involved in has been pending since August 14, 2004—that is unacceptable.

I am encouraged to hear, Mr. Chairman, that you are working closely with the Ways and Means Committee to increase funding for the Social Security Administration. I join my colleagues in recommending funding the Social Security Administration at \$10.327 billion plus \$504 million outside of the discretionary spending cap. We must not tolerate the kinds of backlogs that force disabled Americans to live in poverty, or to die while waiting for their benefits they are entitled to. This needs to be a priority in our budget.

Another pressing issue in Atlanta, and around the nation, is homelessness. There are some very good and decent people who have been homeless for years. They come to my office. In Georgia, we give them Cokes and peanuts. We know them by name. We do what we can for them.

Many of the homeless in Atlanta are Vietnam veterans. How do we draft people and send them to war and when they return, leave them on the streets? No matter what reason, no matter who makes choices in life, leaving our war veterans on the cold, dark streets is wrong. It is wrong.

The Homeless Provider Grant and Per Diem Program is the largest VA program of its kind. There have been calls to increase authorized funding for this program to \$200 million. The program is working, but we need to do more for our homeless. I recommend funding this program at \$200 million for this year and in the future. I know that we can present a budget that reflects the values of our country.

We can begin by taking a hard look at how the government spends money. Are we really saving money by privatizing the most basic services of the Federal Government? Do huge contracts to corporations that don't pay taxes really serve our best interests? These are questions that must be answered, so that we can really help those who are suffering in this nation.

Mr. Chairman and Members of this Committee, again I thank you for the opportunity to appear here today and I look forward to working with you on these and other issues that are so important to my constituents.

Mr. MOORE. I thank the gentleman for his testimony, very compelling testimony, Congressman Lewis, and I appreciate your coming in today.

I do not have any questions. I do not see any other Budget Committee members here that has questions, so I will excuse you at this time. I do again appreciate your testimony, sir.

Mr. LEWIS. Thank you very much, Mr. Chairman.

Mr. MOORE. Thank you.

The Chair would next recognize Congressman Ron Klein from Florida for five minutes, sir.

#### **STATEMENT OF HON. RON KLEIN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF FLORIDA**

Mr. KLEIN. Thank you very much, Mr. Chairman.

Mr. MOORE. Absolutely.

Mr. KLEIN. It is an honor to be here with you today and the members of the Committee. And thank you for taking the time to listen to my concerns and the concerns of the 22nd District of Florida as we work forward through this very important budget process.

I want to thank you again for the time that you are going to give us as members of the Congress to listen as the Budget Committee puts together a very forward-thinking budget which I know the American people are supporting and willing to work for as we accomplish some very difficult decisions.

Under your leadership, Mr. Chairman, we have restored fiscal discipline to this body and we have promoted our nation's most crucial priorities. Many of us ran recently in our districts on the basis of fiscal discipline. And I am very proud that through your leader-

ship and the leadership of this Committee, we have PAYGO, which means Pay-As-You-Go principles. We are not incurring further debt as has been the case of the Congress and the Administration the last number of years.

But I would like to use my time this afternoon to address a very pressing issue in my district in south Florida as well as many districts around the country.

I represent Palm Beach and Broward counties in south Florida and many of the people in my district honorably served our country in the United States Armed Forces. In fact, 50 veterans move to Florida every single day. I am sure you can imagine that the veterans hospitals and those who work with veterans to process disability compensation are very busy.

I was proud last year to vote with this Congress and under your leadership for the largest increase in veterans' funding in the history of the Veterans Administration, long overdue.

Our brave men and women have made significant sacrifices for our country and they were promised the best quality of healthcare and government services in return. With this historic investment, we will begin to fulfill these promises to our nation's veterans, both veterans from World War II, the Korean War through the present day.

There are more than 500,000 veterans who have claims pending currently with the Department of Veterans Affairs. And approximately 100,000 of such claims are over one year old without resolution. This is a serious issue. I have heard too many stories from constituents who are waiting, waiting, waiting for too long for the benefits that they truly deserve.

One man, a World War II veteran from Palm Beach County, pleaded with my office for help, saying that his claim had seen no progress for years. He thought they were waiting for him to die. That was his quote. And that is obviously outrageous and I know the Chair and this Committee feels the same way. We cannot tolerate this.

It seems to me that the default answer on benefits is no. Someone comes in for a claim. There seems to be no answer. And that a veteran is expected to write letters over and over and over again protesting the VA's decision to underwrite disability claims.

Furthermore, soldiers who are returning home from Iraq and Afghanistan with physical and mental disabilities will enter the veterans system and we have to plan for this entirely new generation of veterans. These veterans will require and deserve a system that works for them because they sacrificed for us.

The President's budget for 2009 includes measures to reduce the backlog of veterans' disability claims and I urge the Committee to make this a priority. However, the President's budget request will not be enough to keep up with the increased demands on the VA system. A five and a half percent increase for the healthcare hardly covers inflation and the greater demand of our senior veterans as well as those veterans coming home from active duty.

I am disappointed that the President is not fully funding the needs of our veterans and I know you and the members of this Committee share that. Instead, the President's proposal raises fees for veterans.

I am not going to stand by while we balance our budget on the backs of those who served our country and I appreciate the fact that this Committee supports that principle as well.

And that is why I have come to you today, to reinforce that point. You will be making very difficult decisions in crafting our budget. There are many priorities that deserve and require our attention and resources and that will be supported by the American people.

As we all know, budgeting is all about priorities, but I can think of few priorities greater or more urgent than providing what is due to our brave men and women who serve to protect our country, secure our peace, and safeguard our way of life.

And so, Mr. Chairman, I ask you and the members of this Committee as we craft this budget to consider funding our veterans' budget at a higher level, paying special attention to reducing the backlog of disability claims. Repaying our debt to our nation's veterans is critical and I look forward to telling the veterans back home that Congress has made this a top priority as we did last year.

Mr. Chairman, I truly and sincerely thank you for your leadership. I know this Congress will continue to take care of our veterans as we did this past year and will continue that effort this coming year.

[The prepared statement of Ron Klein follows:]

PREPARED STATEMENT OF HON. RON KLEIN, A REPRESENTATIVE IN CONGRESS FROM  
THE STATE OF FLORIDA

I am honored to be with you here today. Thank you for taking the time to listen to my concerns, and I look forward to working with you, Chairman Spratt, as we move forward in this process. Under your leadership, we have restored fiscal discipline to this body and have promoted our nation's most crucial priorities.

I would like to use my time this afternoon to address a very pressing issue in my district. I represent Palm Beach and Broward Counties in South Florida, and many of the people in my district honorably served our country in the US armed forces. In fact, fifty veterans move to Florida every day. I'm sure you can imagine that the veterans' hospitals and those who work with veterans to process disability compensation are very busy.

I was proud last year to vote for the largest increase in veterans' funding in the history of the VA. Our brave men and women have made significant sacrifices for our country, and they were promised the best quality of healthcare and government services in return. With this historic investment, we will begin to fulfill these promises to our nation's veterans.

There are more than 500,000 veterans who have claims pending with the Department of Veterans Affairs for benefits, and approximately 100,000 of such claims are over one year old without resolution.

I have heard too many stories from constituents who are waiting, waiting, waiting for too long for the benefits that they deserve. One man, a World War II veteran from Palm Beach County, pleaded with my office for help, saying that his claim had seen no progress for years. He thought they were waiting for him to die. This is outrageous. We cannot tolerate this.

It seems to me that the default answer on benefits is no, and that a veteran is expected to write letters over and over and over again, protesting the VA's decision to underrate disability claims.

Furthermore, soldiers who are returning home from Iraq and Afghanistan with physical or mental disabilities will enter the veterans' system, and we will have an entirely new generation of veterans. These veterans will require and will deserve a system that works for them because they sacrificed for us.

The President's budget for 2009 includes measures to reduce the backlog of veterans' disability claims, and I urge the committee to make this a priority. However, the President's budget request will not be enough to keep up with the increased demands on the VA system. A 5.5% increase for healthcare hardly covers inflation and greater demand.

I am disappointed that the President is not fully funding the needs of our veterans. Instead, the President proposes raising fees on our veterans. I will not stand by while we balance this budget on the backs of those who served our country, and that is why I have come to you today.

You all must make very difficult decisions in crafting the Congressional budget. There are many priorities that deserve and require our attention and resources. As you well know, budgeting is all about priorities; I can think of few priorities greater or more urgent than providing what is due to our brave men and women who serve to protect our country, secure our peace and safeguard our way of life.

And, so I ask you to consider funding our veterans' budget at a higher level, paying special attention to reducing the backlog of disability claims. Repaying our debt to our nation's veterans is critical, and I look forward to telling the veterans back home that Congress has made this a top priority.

Mr. MOORE. Congressman Klein, thank you very, very much for your compelling testimony.

Congressman Filner, the Chairman of the Veterans' Affairs Committee testified a few minutes ago and I will tell you what I told him and that is we have just seen the gates open as far as people coming back from Iraq and Afghanistan with PTSD, traumatic brain injury, and other problems that we need to care for.

And people in Congress and in our country have some disagreement about the policy in Iraq. But whatever our attitude is about that, I think most Americans finally realize we have an absolute responsibility to take care of our veterans, our active military people, and their families as well.

And so I very much appreciate your testimony and I am hopeful that our budget will, in fact, reflect the priorities that you have spoken of today. Thank you, sir.

Mr. KLEIN. Thank you very much, Mr. Chairman.

Mr. MOORE. Absolutely.

Welcome Congressman Higgins. And the Chair is pleased to recognize you for five minutes, sir.

#### **STATEMENT OF HON. BRIAN HIGGINS, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK**

Mr. HIGGINS. Thank you, Mr. Chairman and the distinguished members of the Committee.

I come before you today to advocate for increased funding for cancer research at the National Cancer Institute and the National Institutes of Health. The war on cancer is a nonpartisan issue and it should be treated that way.

In 2005 when I first came to Congress, the National Cancer Institute and the American Cancer Society came to Capitol Hill asking members to sign their pledge consistent with the 2015 campaign. The 2015 campaign advocated by the cancer community is designed to eradicate, to eliminate all human suffering and death due to cancer by the year 2015.

When I signed that pledge, I meant it. And I said to the cancer advocates at that time they were letting Congress off too easy because the pledge that was being signed was a nonbinding expression of the congressional will.

What I am here to say today, Mr. Chairman, is that it is within Congress' authority to increase funding to reverse the trend of this Administration's efforts to cut cancer funding over the past five years. Those cuts have led to \$250 million or for adjusted inflation dollars about \$400 million in less money for cancer research.

Incredible progress is being made today in the area of cancer research. In my own community, we have one of the few comprehensive cancer centers, Rosswell Park Cancer Institute.

What happens is promising research at places like Rosswell is funded by the National Cancer Institute and those promising research and clinical trials become the standard for tomorrow's cancer treatment.

There are more people living with cancer today than are dying from cancer. Still, about a million new cases, a million five new cases of cancer will be diagnosed this year and over 500,000 people will die from cancer. One in every two men will contract invasive cancer in their lifetime, one in every three women. We obviously have a lot of work to do.

Cancer is also very expensive to the nation. We spend about \$220 billion a year in lost productivity and healthcare costs associated with cancer.

Mr. Chairman, I am here to say that Congress has a moral obligation to reverse the trend of cancer funding cuts over the past five years.

The 2015 campaign is advanced by the American Cancer Society and the National Cancer Institute. It should not only be their goal. It should be America's goal. And as a nation, we should insist on a massive investment in funding cancer research moving forward. We should not be following the trends. We should be leading the rest of the world in cancer research.

Another issue is that it is a lot less expensive to the nation to treat cancer in its early stages and to prevent it than to treat cancer in its advanced stages. So from an economic standpoint, from a healthcare standpoint, from a moral standpoint, this Congress in a nonpartisan way has an extraordinary opportunity, Mr. Chairman, this year to reverse the trend and fully fund the National Cancer Institute and the National Institutes of Health.

Thank you.

[The prepared statement of Brian Higgins follows:]

PREPARED STATEMENT OF HON. BRIAN HIGGINS, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF NEW YORK

Chairman Spratt, Ranking Member Ryan, distinguished members of the Committee, I come before you today to advocate for increased funding for cancer research at the National Cancer Institute and the National Institutes of Health.

The war on cancer is a non-partisan issue, and it should be treated that way.

In 2005, when I signed a pledge to do everything in my power to eliminate cancer, I meant it.

The Administration's decision to freeze funding at NIH and NCI in its proposed budget for fiscal year 2009 is wholly unacceptable and cuts the cancer community at its knees. If enacted, this would continue a disturbing trend of decreased funding over the last five years, where funding at NCI has effectively decreased by twelve percent. Because the war on cancer is too important for Congress to be complacent; I strongly urge this committee to provide for increased funding for cancer research in this year's Budget resolution.

It is sad, but true that cancer is a disease that touches everyone in this country. Within almost every neighborhood and town, communities are rallying around family members, friends, and neighbors who have been diagnosed with cancer, helping in any way they can to help alleviate suffering.

The impact that cancer has on our society is astounding. In its latest report, the American Cancer Society found that new cases of cancer have increased, reversing a two year decline. This year, approximately 1.4 million people will be diagnosed with cancer and five hundred and sixty five thousand people will die from cancer. Ten million additional Americans continue to struggle with or are survivors of can-



cer. And the cost of cancer is staggering, estimated to be two hundred and nineteen billion dollars in 2007 alone.

It should be our duty as Members of Congress to improve the quality of care that Americans receive when they are diagnosed with cancer—this begins with increasing funding for vital research.

Cancer is truly an individualized disease, manifesting itself uniquely in every patient. Unlike in the past, where one-size-fits-all treatments were used for cancer patients, researchers and practitioners are exploiting discoveries stemming from the human genome project to begin to carefully tailor treatment to meet the specific make-up of each individual patient. These groundbreaking discoveries will fundamentally alter and improve how cancer care is delivered. It is in our country's best interest to give researchers the resources to hit the ground running on these discoveries.

My district in Western New York directly benefits from NIH and NCI funding. Roswell Park Cancer Institute, one of the oldest cancer centers in the country, is a NCI designated comprehensive cancer center and receives funding from NCI for its major research activities. Other research institutions, like the University at Buffalo and the Hauptmann Woodward Medical Research Institute rely on federal funding to advance the science of fighting disease.

The results of this research will improve the standard of living for Americans living with cancer, and will prolong life after diagnosis. These research dollars also have a significant ripple affect on local economies, where research translates into treatments that can be developed and manufactured by local companies, providing highly skilled jobs for countless citizens. Our country has long been the cradle of innovation, a robust and growing federal investment in research can keep that reputation strong.

In conclusion, Congress should be leading the charge in the fight against cancer. I believe we are at the cusp of dramatic improvements in the quality of care. Congress should do everything in its power to make sure that these dramatic discoveries are transferred into results as soon as possible. This begins with rejecting the Administration's flat-footed agenda and providing necessary increases in funding for cancer research initiatives at the National Cancer Institute and the National Institutes of Health. Thank you.

Mr. MOORE. I thank the gentleman for his testimony. You have made some excellent points, I think, Congressman Higgins. And I do not know how anybody could really disagree with your points that you made today.

I think and I agree with you that we have an opportunity with continued medical research that is well funded to find in the very near future, make some progress and even find some cures for cancer.

And as you said, that not only would save money, but it is exactly the right thing to do morally for the people in our country and for the world as well. And so I am hopeful that we will and you are going to support funding cancer research and the cancer budget.

So I really appreciate your testimony here today.

Mr. HIGGINS. Thank you, Mr. Chairman.

Mr. MOORE. Thank you, sir.

Mr. HIGGINS. Appreciate it.

Mr. MOORE. The Chair next recognizes Congressman Kagen for five minutes.

#### **STATEMENT OF HON. STEVE KAGEN, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF WISCONSIN**

Mr. KAGEN. Thank you, Mr. Chairman. It is an honor to be here and I appreciate you taking the time to spend with us.

I would like to begin by aligning myself with the viewpoint expressed by our GAO Controller General, David Walker, who stated

the following before the Senate Budget Committee on January 28th of 2008.

“Under any plausible scenario, the federal budget is on an imprudent and unsustainable path.” And he continued, “Rapidly rising healthcare costs are not simply a federal budget problem. They are our nation’s number one fiscal challenge.”

Fortunately, this Budget Committee and Congress have begun to address this crisis and contrary to the current Administration recognize that our government must live within its means just like folks do back home in Wisconsin.

The House of Representatives should continue its commitment to reduce the deficit and to adhere to PAYGO rules. Like everyone else in Wisconsin, I believe in being fiscally responsible and socially progressive.

Your Committee has difficult choices to make and I hope that the decisions you make here will reflect our traditional American values as well as those that we all share.

Kindly allow me now to express to you and thank you for your ongoing respect for these principles. Our budget must also answer the question whose side are we on. We must be for people more than things and people more than corporate wealth.

As we have all seen, our economy is in transition. Manufacturing jobs are changing and they are moving overseas more and more rapidly. And our work product now is requiring fewer man hours to achieve our goals.

I believe both political parties must agree that we need to place our greater emphasis now on those workers most affected by this unfortunate process, one that in large part in my opinion is due to unfair and unbalanced trade deals with China which has targeted each and every one of our industries for extinction.

Our government must assist working families who have been damaged by these trade deals for these people represent our rapidly-evaporating middle class. We may have a global marketplace, but just as all politics is local, likewise all economics is local as well.

And, fortunately, we have existing programs to provide job training for workers nationwide who may be displaced and out of work. One of those is the Dislocated Worker State Grants Program. And as you are aware, the President has requested that these programs be cut by \$271 million below the level needed to maintain current and necessary services.

I respectfully request the Committee reject these cuts. These grants provide critical instruction and assistance for displaced workers and I would encourage the Committee to support these training programs to their fullest amount possible.

We must represent the best of American traditional values and make certain that our national defense includes not just our Armed Forces, but our middle class, and they need support as well.

For these reasons, I would support increased funding for the TAA Program, the Trade Adjustment Assistance Program. By providing income and support as well as training programs, the TAA Program allows workers to return to full-time employment at the most rapid rate possible.

We must also recognize the real value of Medicare and Medicaid in people's lives. People walk straight and without pain only because of Medicare. And as you are aware, the President has requested a cut of \$556 billion in Medicare during the next ten years and \$47 billion of cuts in Medicaid. Plainly put, President Bush has not thought this all the way through.

I strongly urge the Committee to reject his proposed cuts. It is unnecessary for me to go into greater detail as to the critical need for these services.

Furthermore, I do not need to elaborate on the demographic realities that we now face as we all begin to age for again, as Controller David Walker has mentioned, "Rapidly rising healthcare costs are not simply a federal budget problem. They are our nation's number one fiscal challenge."

It is the responsibility of this Committee and this Congress to determine exactly what the overhead expenses are for providing medically necessary Medicare services and products to Medicare enrollees and then, importantly, to cover those overhead expenses for those necessary services. If you fail to cover the overhead cost for providing medical services, those services simply will not be available.

I am today encouraged that in adhering to PAYGO rules and principles established by the House, the Budget Committee rejected the temptation to use the Social Security Trust Fund to pay for other needs. I believe this program is a sacred trust, a trust between workers and their government. And it must always be available.

And, finally, we must be mindful of our future and our national security. Our national defense does not solely require maintaining our Armed Forces. It requires intense and active investments in economic development, in education, and in becoming an energy independent nation. To do so, to become independent once again and to maintain our freedom, we must have a viable economy with as many manufacturing jobs as possible.

Our nation expects great things from all of us and I am certain that you will not let us down. By working together, I am sure we will build a better nation for all of us.

And I thank you for your time.

[The prepared statement of Steve Kagen follows:]

PREPARED STATEMENT OF HON. STEVE KAGEN, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF WISCONSIN

Mr. Chairman, thank you for the opportunity to discuss the budget in front of the Committee today.

I would like to begin by aligning myself with the viewpoint expressed by our GAO Comptroller General, David Walker, who stated the following before the Senate Budget Committee on January 28, 2008: "Under any plausible scenario, the federal budget is on an imprudent and unsustainable path." And he continued, "Rapidly rising health care costs are not simply a federal budget problem; they are our nation's number one fiscal challenge."

Fortunately, this Budget Committee and Congress have begun to address these crises and contrary to the current Administration, recognize that our government must live within its means, just like folks do in their own homes throughout Wisconsin.

The House of Representatives should continue its commitment to reduce the deficit and adhere to our PAY-GO rules. Like everyone else in Wisconsin, I believe in being fiscally responsible and socially progressive.

Your Committee has difficult choices to make, and I hope that the decisions made here will reflect our traditional American values we all share. Kindly allow me to express my thanks to you for your ongoing respect for these principles.

Our Budget must also answer the question: whose side are we on?

We must care for people more than things, and people more than corporate wealth. As we have seen, our economy is in transition. Manufacturing jobs are changing and are moving overseas or are requiring fewer man-hours. I believe both political parties can agree that we need to place greater emphasis on those workers affected by this unfortunate process—one that in large part is due to unfair and unbalanced trade deals wherein China has targeted our industries—one after the other—for extinction.

Our government must assist working families who have been damaged by these trade deals, for they people represent our rapidly evaporating middle-class most in need of our attention. We may have a global marketplace, but just as all politics is local—likewise, all economics is local.

Fortunately, we have existing programs to provide job training for workers nationwide. One of those is the Dislocated Worker State Grants. As you are aware, the President's request would cut these programs to \$271 million below the level needed to maintain current necessary services. I respectfully request the Committee reject these cuts. These grants provide critical instruction and assistance for displaced workers. I would encourage the Committee to support these training programs, which are not only an investment in our nation's future, but also represent the best line of national defense—a working and successful middle-class.

For these reasons, I support increased funding for Trade Adjustment Assistance (TAA) Program. By providing income support as well as training programs, TAA allows workers to return to full time employment as rapidly as possible.

We must also recognize the real value of Medicare and Medicaid in people's lives. People walk straight and without pain only because of Medicare. As you are aware, the President has requested \$556 billion in Medicare cuts over ten years and \$47 billion in Medicaid cuts.

Plainly put, President Bush has not thought this all the way through.

I strongly urge the Committee to reject his proposed cuts. It is unnecessary for me to discuss in greater detail the critical need for these programs. Furthermore, I do not need to elaborate on the demographic realities in our nation. For as Comptroller General Walker stated: "Rapidly rising health care costs are not simply a federal budget problem; they are our nation's number one fiscal challenge."

It is the responsibility of this Committee and this Congress to determine exactly what the overhead expenses are for providing medically necessary Medicare services and products to medicare enrollees—and then to cover at least the overhead expenses for said services plus a profit. If you fail to cover the overhead costs for providing a service, it will not be available.

I am today encouraged that—in adhering to the PAY-GO principles established by the House—the Budget Committee rejected the temptation to use the Social Security Trust Fund to pay for other needs. I believe this program is a sacred trust between workers and their government, and it must always be available.

Finally, we must be mindful of our future and to our national security. Our national defense does not solely require maintaining our Armed Forces. It also requires intense and active investments in economic development, education and becoming an energy independent nation once again. To do so, and to maintain our Freedom, we must have a viable economy with as many manufacturing jobs as possible.

Our nation expects a great deal from us, and I am certain you won't let us down. By working together, we will build a better nation for all of us, and I thank you for your time today.

Mr. MOORE. And I thank the gentleman for his testimony. I do not have any questions.

I do agree with virtually everything you have testified about here today, including the rising cost of healthcare and our responsibility to provide some services to the people in our country. You have mentioned other items. I will not go through all of those, but I very, very much appreciate your testimony and it will be considered by the members of this Committee.

There are no Committee members present for questions, so I thank again the gentleman for his testimony.

Mr. KAGEN. Thank you once again.

Mr. MOORE. Absolutely.

The Chair next recognizes Congressman Rick Larsen. And, Congressman, you are recognized for five minutes, sir.

**STATEMENT OF HON. RICK LARSEN, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF WASHINGTON**

Mr. LARSEN. Thank you, Chairman Moore. I am pleased to have an opportunity today to speak to you today about the federal programs specifically that make a critical difference in the fight against drug abuse.

As Co-Chair of the Congressional Caucus to fight and control methamphetamine, I have seen firsthand some of the devastating impact of meth and, in fact, other illegal drugs on our communities.

These drugs are not just a problem for law enforcement, but for families, schools, and businesses. In the past several years, we actually have made significant progress in closing down home-grown labs, but rates of meth use remain as high as ever.

Meanwhile, law enforcement officers and treatment providers are reporting a sharp increase in the abuse of oxycodone and other prescription drugs. The increasing incidence of diversion and abuse of these drugs is a disturbing trend that presents a new set of challenges for the men and women who have devoted their lives to ridding our communities of the problems of drug abuse.

Research has increasingly shown that drug addiction is not merely a matter of habit for those addicted, but is, in fact, a disease. It is our responsibility as lawmakers, therefore, to protect our districts and constituents from the spread of this disease.

Our commitment to combating drug trafficking and abuse must begin with our continued support for those programs that give our law enforcement on the front lines the resources they need to do their jobs effectively.

So the first program I would just like to highlight for you is the Edward Byrne Memorial Justice Assistance Grants, otherwise known as Byrne JAG Grants. This program is the only federal funding awarded to state and local law enforcement on a formula basis and the funds that it provides have gone to support a wide variety of programs critical in the fight against drug abuse, including our regional drug task forces.

Byrne JAG funding was cut by two-thirds in the "Consolidated Appropriations Act" for 2008. As a result of these cuts, many regional drug task forces will be forced to close their doors.

Last week, I met with the Commander of the Snohomish County Regional Drug Task Force and some of the law enforcement officers who serve there on his team and if funding for Byrne JAG is not restored, they are in danger of having to cut as many as six positions from their staff.

In light of that tremendous cut this year, funding for Byrne JAG in fiscal year 2009 is more important than ever and so I urge the Committee to recommend funding for this program in its full authorized amount to provide the resources that state and local law enforcement need to do their jobs.

Crime is not just a local issue. As we know, Mr. Chairman, we owe it to our constituents in the federal level to help them.

Another important law enforcement program within the DOJ's budget is the Community Oriented Policing Services or COPS Program. In his budget for 2009, the President has zeroed out again this critical program.

Last year, the President proposed cutting the COPS Program by more than \$500 million. Last year, Congress disregarded his request and, rather, increased the funding for COPS by 45 million. So I ask the Committee again to disregard the President's budget request and fully fund COPS in your budget resolution.

Finally, on law enforcement, before I move to treatment, last year, I visited the Drug Enforcement Administration's training facilities at Quantico and took part in some of the training the DEA provides for state and local law enforcement, something I would recommend that all members of Congress to participate in.

I got a small taste of the dangers faced by men and women on the front lines in the fight against drugs. They confront dangerous criminals, hazardous chemicals, and life-threatening explosives every time they bust a meth lab. Our DEA agents do great work and the training they provide is useful preparation for local law enforcement. So I encourage the Committee to include enough funding in this budget resolution to fully fund DEA.

But while these efforts keep drugs out of our communities and out of the hands of children are essential in the fight against meth and other drugs, we have to be sure we are working to help those who have become addicted to these drugs.

Investing in drug treatment programs not only saves the lives of people in treatment, but reduces the prevalence of drug use and drug-related crime in our communities. As long as there is a market for these illicit drugs, the dealers will find a way to deliver them.

I recently visited Evergreen Manor, a treatment facility in my district, and met with people in recovery from meth and opiate addiction. These are people who worked hard every day and must work hard for the rest of their lives to continuously defeat their addictions.

One of these individuals made a comment that has stuck with me. His goal he said was not to stay clean, but to get his life back. Drug addiction can be a death sentence, but even before it kills, it does rob people of their lives. By funding drug treatment programs, we not only give these people a chance to beat their addictions, we can give them an opportunity to get their lives back.

One program I would like to highlight as well is the Drug Court Program which funds the oversight of the court with therapeutic capabilities and drug treatment program. Drug Courts are widely recognized as the most effective solution for reducing crime and recidivism among drug addicted offenders in the Criminal Justice System.

In my district, the Snohomish County Drug Court has a 94 percent success rate as a for instance.

Funded at 40 million in fiscal year 2005, the Drug Court Program has seen significant cuts in recent years and I am urging the Committee to include full funding for the Drug Court Program in this year's budget resolution.

And, finally, two final points. I know the federal program that is critical to drug treatment throughout the country is the Substance Abuse Prevention and Treatment Block Grant. This grant is the backbone of our nation's publicly funded treatment and prevention system and serves our most vulnerable citizens.

And, finally, what would we be without education? I want to emphasize the importance of education and prevention efforts in the fight against drugs. And both the Safe and Drug Free Schools and Communities and the Drug Free Communities programs are critical to ensuring safe, healthy, and drug free schools. They also provide funds for programs that teach students about the dangers of drug abuse, giving them lessons that they take with them for the rest of their lives.

The reason I wanted to point out these programs, Mr. Chairman, is to show the continuum of activities that we need to participate in from the federal level to help those who are on the front line, not just to law enforcement, but to treatment providers, our teachers in our schools, and, frankly, those people who are addicted who are trying to get their lives back.

Thank you.

[The prepared statement of Rick Larsen follows:]

PREPARED STATEMENT OF HON. RICK LARSEN, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF WASHINGTON

Thank you, Chairman Spratt, Ranking Member Ryan, and Members of the Committee. I am pleased to have the opportunity to speak to you today about the federal programs that make a critical difference in the fight against drug abuse.

As co-chair of the Congressional Caucus to Fight and Control Methamphetamine, I have seen first-hand the devastating impact of meth and other illegal drugs on our communities. Illegal drugs aren't just a problem for law enforcement—but for our families, schools and businesses. In the past several years, we have made significant progress in closing down “homegrown” labs, but rates of methamphetamine use remain as high as ever.

Meanwhile, law enforcement officers and treatment providers are reporting a sharp increase in the abuse of Oxycodone and other prescription drugs. The increasing incidence of diversion and abuse of these drugs is a disturbing trend that presents a new set of challenges for the men and women that have devoted their lives to ridding our communities of the problems of drug abuse.

Research has increasingly shown that drug addiction is not merely a matter of habit for those addicted but is, in fact, a disease. It is our responsibility as lawmakers to protect our districts and our constituents from the spread of this disease. Our commitment to combating drug trafficking and abuse must begin with our continued support of the federal programs that give our heroes on the frontlines the resources they need to effectively do their jobs.

The first program I want to highlight is the Edward Byrne Memorial Justice Assistance Grants Program. This program is the only federal funding awarded to state and local law enforcement on a formula basis. The funds that it provides have gone to support a wide variety of programs critical in the fight against drug abuse, including regional drug task forces.

Byrne-JAG funding was cut by two thirds in the Consolidated Appropriations Act for FY08. As a result of these cuts many regional drug task forces will be forced to close their doors. Last week, I met with the commander of the Snohomish County Drug Task Force and some of the law enforcement officers who serve on his team. If funding for Byrne-JAG is not restored they are in danger of having to cut as many as six positions from their staff.

These task forces are essential to keeping pressure on drug traffickers and dealers throughout the country and their absence will lead to an increase in drug trafficking, and abuse. The problem of drug trafficking requires a constant and vigilant approach. If this funding is not restored it will have a devastating impact on our ability to combat the spread of meth and other illegal drugs. It would undo much of the progress we have made, and require an increased future commitment in both time and resources just to bring us back to where we are today.

In light of the tremendous cut this year, funding for Byrne-JAG in FY09 is more important than ever. I urge the Committee to recommend funding for this program at its full authorized amount to provide the resources that state and local law enforcement needs to do their jobs. Crime isn't just a local issue and we owe it to our constituents to help protect them.

Another important law enforcement program within DOJ's budget is the Community Oriented Policing Services, or COPS, program. In his budget for FY09, the President has zeroed out this critical program. Last year the President proposed cutting the COPS program by more than \$500 million dollars. Congress disregarded that request and increased its funding by \$45 million. I ask the Committee to again disregard the President's budget request and provide full funding for COPS in your budget resolution.

Last year I visited the Drug Enforcement Administration's training facilities at Quantico and took part in some of the training DEA provides for state and local law enforcement. I got a small taste of the dangers faced by the men and women on the front lines of the fight against drugs. They confront dangerous criminals, hazardous chemicals and life-threatening explosives every time they bust a meth lab. Our DEA agents do great work and the training they provide is useful preparation for local law enforcement. I encourage this Committee to include enough funding in its budget resolution to fully fund the DEA.

While efforts to keep drugs out of our communities and out of the hands of our children are essential in the fight against meth and other drugs, we must also make sure we are working to help those that have become addicted to these drugs. Investing in drug treatment programs not only saves the lives of the people in treatment, but reduces the prevalence of drug use and drug related crime in our communities. As long as there is a market for these illicit drugs, the dealers will find a way to deliver them.

I recently visited the Evergreen Manor treatment facility in my district and met with some people in recovery from methamphetamine and opiate addiction. These are people who have worked hard every day and must work hard for the rest of their lives to continuously defeat their addictions.

One of these individuals made a comment that stuck with me. His goal, he said, was not only to stay clean, but to get his life back. Drug addiction can be a death sentence, but even before it kills, it robs people of their lives. By funding drug treatment programs we not only give these people a chance to beat their addictions, we give them the opportunity to get their lives back.

One program I would like to highlight is the Drug Court program, which blends the oversight of a court with the therapeutic capabilities of a drug treatment program. Drug courts are widely recognized as the most effective solution for reducing crime and recidivism among drug-addicted offenders in the criminal justice system. They come at a fraction of the cost of standard incarceration, and they are effective. In my district, the Snohomish County drug court has a 94% success rate. Funded at \$40 million in FY05, the Drug Court program has seen significant cuts in recent years. I urge the Committee to include full funding for the Drug Court program in this year's budget resolution.

Another federal program that is critical for drug treatment programs throughout the country is the Substance Abuse Prevention and Treatment Block Grant. This grant is the backbone of our nation's publicly funded treatment and prevention system and serves our most vulnerable citizens. Providing adequate funding for treatment efforts is a critical step in combating drug abuse.

Finally, I want to emphasize the importance of education and prevention efforts in the fight against drugs. Both the Safe and Drug-Free Schools and Communities and the Drug-Free Communities programs are critical to ensuring safe, healthy, and drug-free schools. They also provide funds for programs to teach students about the dangers of drug abuse, giving them lessons they may take with them for the rest of their lives.

The programs that I have mentioned here are essential to tackling every angle of the problem of drug abuse. We must continue to be vigilant in our approach to the problems of drug trafficking, and abuse, and maintain a consistent and adequate level of funding for these programs.

I again thank you for the opportunity to address the Committee today. I have additional comments that I will submit for the record.

Thank you and I'm happy to answer any questions.

Mr. MOORE. I thank the gentleman for his testimony. As an elected district attorney in my home county from 1977 to 1989, for 12 years, I have seen firsthand the devastation that drugs can do in the lives of people and to our communities.



I appreciate, though, the fact that you did not just concentrate on the COPS Program, on law enforcement, DEA, as important as those are and they are very important, but you have also talked to our Committee and given us testimony about drug treatment and helping people get their lives back in order which I think all of us should care about as well.

I very much appreciate, Congressman, your testimony to our Budget Committee today. I do not see other members here right now to ask questions, but I am certain they will review your testimony and I am hopeful that we will vote in support of the programs that you have advocated for here today. Thank you, sir.

Mr. LARSEN. Thank you, Mr. Chairman.

Mr. MOORE. Next the Chair would like to recognize Congresswoman Donna Christensen, if you would, please. And you have five minutes, ma'am.

**STATEMENT OF HON. DONNA CHRISTENSEN, A  
REPRESENTATIVE IN CONGRESS FROM THE VIRGIN ISLANDS**

Ms. CHRISTENSEN. Thank you, Mr. Chairman.

And we submitted testimony yesterday. I have provided an addendum and I am really going to speak from the addendum today.

Thank you for the opportunity to testify before the Budget Committee as I have done for the last three years on health issues on behalf of the Congressional Black Caucus.

Our Health Brain Trust of the Congressional Black Caucus which I Chair has as its mission the elimination of racial and ethnic health disparities. And while on the surface this may seem to be only a minority health issue, I can assure you it is an American issue. It is a national issue.

Despite the almost \$3 trillion and over \$6,000 per capita that our country spends on healthcare, which is far above and almost twice as much as other industrialized countries, the health of Americans rank behind most of those countries and we have higher infant mortality and several other indicators of poor health that are higher as well as a compromised healthcare system.

And as the costs continue to skyrocket toward a projected \$4 trillion and 20 percent of GDP in 2016, instead of improving, these indicators are getting worse. And even when they improve in some areas slightly, the gap between white Americans and Americans of color continues to be there or even to widen.

Our government and the Congress has a responsibility to provide and improve health for everyone in this country, and I am going to give about four points that I think we need to do and that we would like to see funding for.

One, providing health coverage for everyone so that individuals will seek care earlier and reduce the need for far more costly, catastrophic care, much of which is now unpaid for, thus increasing the costs and decreasing the quality of care for everyone else.

And I want to make note here that over one-half of the uninsured in this country are people of color.

Two, by emphasizing prevention. Right now approximately five percent of our healthcare budget is spent on prevention, so emphasizing prevention or at the very least equalizing funding and focus

on prevention and to bring it on a comparable level with research and the development of new technologies.

Every day more than 200 people of color die prematurely from preventable causes. This was noted as early as 1984 by then Surgeon General Margaret Heckler as excess deaths, and she was speaking in particular at that time about excess deaths in African Americans. And she defines those as deaths that are in excess of what would have been predicted for African Americans given that all of the other factors across the board were equal.

At that time, it was estimated that there were 66,000 excess deaths in African Americans annually and today it is estimated somewhere between 86 and 100,000. So preventive care has to be given more emphasis. It must be made free, affordable, accessible, comprehensive, and it must be made culturally competent if it is going to be effective.

Third, by ensuring continuity of care through increasing and incentivizing primary care as well as linking services and improving care with the use of health information technology.

Four, by establishing or expanding special programs to reach those who have been left out of the healthcare mainstream who are again largely people of color, but also those in rural areas and in remote areas such as in our U.S. territories.

The poor national health indicators are largely due to racial and ethnic health disparities that result, for example, in more cancer and AIDS that is in African Americans than all other population groups, twice the infant mortality in African and Native Americans, lower life expectancy by about six years for African American males, more diabetes and complications in African Americans, Latino Americans, and Native Americans.

These are factors that contribute to the premature preventable death and disability that I mentioned previously, all of which we pay for and we pay for it in many ways.

To adequately address all of this will require restoring most if not all of the cuts in the healthcare budget and increasing funding, the funding for inflation, as well as an outright investment. In this case, this would be an investment that would really pay dividends in terms of decreased healthcare costs over the long run and improve health quality.

As a matter of fact, I think that making that investment in prevention and closing the gaps in health disparities is the only way that we are really going to cut healthcare costs. This is an investment which in the name of national security and national competitiveness we cannot afford not to make even if it is not immediately paid for.

The implementation of item four, the elimination of health disparities, is embodied in H.R. 3014, the "Healthcare Equity and Accountability Act," which was developed by the Tri Caucus over a period of years with input from national advocacy and healthcare organizations and introduced by Congresswoman Hilda Solis.

This bill which will close most of the existing healthcare gaps, improve the health and well-being of Americans, and strengthen the healthcare system is estimated to cost roughly \$3.5 billion, not necessarily in one budget year. However, by making this initial in-

vestment on the front end, we will ensure positive results and savings in both lives and healthcare dollars on the back end.

The Congressional Black Caucus will be introducing its budget and these figures will be included in our submission.

The current state of our healthcare system is one of crisis and heading towards catastrophe unless we have real reform, so I urge the Committee to give favorable consideration to this request which will go a long way to bringing a system that cannot really at this point be called a healthcare system into the healthcare system that it needs to be.

Thank you.

[The prepared statement of Donna Christensen follows:]

PREPARED STATEMENT OF HON. DONNA CHRISTENSEN, A DELEGATE IN CONGRESS  
FROM THE U.S. VIRGIN ISLANDS

Thank you, Chairman Spratt and members of the committee for the opportunity to give testimony and input into what I anticipate will be a competitive and difficult budget process.

I come before you today not only as a colleague and as the only African-American physician currently serving in Congress, but also as the Chair of the Congressional Black Caucus Health Braintrust and as one of the three health co-chairs of the Tri Caucus—which is made up of the Congressional Black, Hispanic and Asian Pacific Caucuses.

Across all of these capacities, one of the key issues that has—and will—remain at the top of my legislative priority list is that of health and health care, and the grave differences in health care access, quality and thus health outcomes that have a detrimental impact on the health, wellness and life opportunities of millions of innocent Americans every single year.

Mr. Chairman, these differences—which are commonly called “health disparities”—have been well documented for more than two decades. And, studies increasingly show that health disparities no longer only affect African Americans and other people of color; they no longer are only issues faced by the uninsured or those in low-income communities. Health disparities and gaps in our health care system have gone unaddressed for so long and have become so pervasive that they now affect all Americans. In fact, Mr. Chairman, today, health disparities are no longer only a minority health issue; today, health disparities are an American issue.

Not only do health disparities cause about 100,000 premature preventable deaths each year, but they also lower the quality of care that Americans receive from the health care system and detrimentally affect the health outcomes of millions of Americans. We also know that the gaps in health care that are caused by health disparities not only carry grave health repercussions, but also serious economic consequences, too. In fact, health disparities are among the key factors that drive up the health care costs that we—as a nation—struggle to contain each year.

Mr. Chairman and colleagues, I know that what I am about to propose is going to sound somewhat counterintuitive on the surface, especially given our nation’s overall indebtedness, but it is a solution that not only will improve the overall health and strength of our nation, but also that will strengthen our health care system and save valuable health care dollars.

And, what I propose is the following: not cuts to health care spending, as are clearly very evident throughout the President’s FY 09 budget proposal, but instead, a far greater investment in health care in a manner that will meaningfully close the health care gaps that cost this nation lives and millions of dollars every year.

Mr. Chairman, this investment must begin with a brave new approach to healthcare funding that strives to close existing health care gaps as a means to not only slow down, but to begin to reverse the exorbitant health care costs facing this nation. And, it must go beyond our current focus on research at the dire expense of prevention and care.

In many ways, Mr. Chairman, as difficult as this budget process will be, we have a rare opportunity to develop and champion a budget which reflects a health care ideology that is as medically and socially responsible as it is fiscally responsive. Mr. Chairman, we have a rare opportunity to develop a budget that will set this nation in a much-needed new direction, where we take active steps to expand coverage, increase access, improve quality, and close the health care gaps that leave far too many millions of Americans in poorer health, suffering worse health outcomes, with-

out adequate access to quality care, and unable to fulfill their life's potentials. And, finally Mr. Chairman, we have a rare opportunity to champion a budget that promotes equity and fairness in health care; principles that resonate with every single American.

As a starting point, Mr. Chairman, we must repeal the tax breaks in the President's budget that give so much to those Americans with the very most at the extreme expense of those Americans with the very least. And, with this revenue, Mr. Chairman, we have to restore cuts in the president's budget that not only widen the existing gaps in the health care system, but that contribute to the skyrocketing health care costs that plague our nation's fiscal strength each year. These cuts will do nothing to bolster and improve the health and well being of millions of innocent, hardworking Americans; they will only exacerbate this nation's most severe health disparities that affect millions of Americans throughout the country.

In fact, the list of this budget's cuts—many of which completely eliminate critically important programs—reads like an embarrassing dishonor roll and includes: cuts to the already under-funded National Health Service Corps; extreme cuts to the health professions programs and include cuts that often eliminate those programs charged with increasing diversity among health professionals, those which focus on strengthening the nursing and dental workforce, those which focus on geriatric care and those that have a community-centric focus; millions of dollars in cuts to HIV/AIDS Education and Training Centers, maternal and child health programs, chronic disease prevention and health promotion programs, substance abuse prevention programs, mental health programs, and rural health programs. The President's budget also proposes extraordinary cuts to SCHIP, Medicaid and Medicare—three programs that are critically important to the nation's most vulnerable children, low-income residents and senior citizens and those with disabilities—as well as grave cuts to every office and agency, as well as to every program that is integrally important to efforts to close health care gaps and achieve equity in health care.

Additionally, Mr. Chairman, I would be remiss if I did not also mention that as the Congresswoman from the United States Virgin Islands, who practiced medicine there for more than two decades before coming to Congress, I am very concerned that under the President's budget, the Virgin Islands and other U.S. territories will continue to not receive state-like treatment under Medicaid and Medicare, despite having state-size health and health care needs and challenges.

Mr. Chairman, the time has come for us to invest in the health and life opportunities of all Americans, from Maryland to California, from Alaska to the U.S. Virgin Islands and from Oregon to Guam. The time has come for us to tackle our nation's most pressing health care challenges with a health care budget and spending rationale that not only is congruent with the health care needs and wants of millions of Americans, but that also strengthens the health care system; improves and protects the health and well being of Americans, and ultimately strengthens the health and well being of this nation.

Mr. MOORE. Congresswoman, I thank you for your testimony to the Budget Committee here today. I really appreciate the fine points that you have made and you have raised some excellent concerns.

I think a lot of Americans believe we probably have the best healthcare delivery system in the whole world and as you pointed out, that is not entirely factual because we have fallen down in some areas and certainly need to improve in some areas in my opinion. I think we share that same goal.

You have also established several points here that are very, very important and I trust that the members of this Committee will consider the points that you have raised. And I think they are excellent points and hopefully we will submit a budget that reflects those priorities.

And I thank you for your testimony.

Ms. CHRISTENSEN. Thank you.

Mr. MOORE. The Committee will stand in recess while the Chair changes. Thank you.

[Recess.]

Ms. HOOLEY [presiding]. Welcome. The next member to testify is Tim Walz from Minnesota. Welcome, and we are pleased to receive your testimony. You are recognized for five minutes.

**STATEMENT OF HON. TIMOTHY J. WALZ, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF MINNESOTA**

Mr. WALZ. Well, thank you, Madam Chairman, and thank you to you and the entire Committee for the incredibly important work that you do. And it is a privilege for me to be here today and testify on just a couple of areas that I think are critical in this year's budget that I would like to address my testimony to.

And that will be Function 750 on the Administration of Justice Programs, Function 700 on veterans' benefits, and Function 550 on health programs, specifically rural health programs.

And I wanted to just address first of all on the issue of Function 750 and the Administration of Justice Programs, the issue of border security and import security in the United States is one that many Americans are deeply concerned about. It is also one that I believe we can make great strides in and that this Congress can do things necessary to the great people who are out there delivering that border protection and do it in a very robust way, but also do it that stays consistent with the principles of this country's strongest-held beliefs.

In January, I had the opportunity to travel down to El Paso, Texas and meet with members of the Customs and Border Protection Agency. On the trip, I was incredibly impressed with the professionalism, the commitment of the people who were serving there, and watching them use new technologies to do their jobs.

As I was there watching at the border, a K-9 unit detected a carload of narcotics and the smuggler who was attempting to bring it into the United States.

I met a couple of National Guardsmen who were using good remote cameras and infrared technology to monitor sections of the U.S. border to direct Border Patrol agents to border violations.

It was clear from my visit that the Border Patrol had more resources than they had a few years ago, but they could use even more. And I urge this Committee to make sure we support the funding levels that make it possible to deploy the infrastructure and the technology to allow these people to do the job and to remove some of the doubts that Americans have that we are able to do this job. And it is one that I think the people down on the border can do the job if we provide the resources.

In addition, I would like to talk a little bit about veterans' benefits under 700, Function 700. It is an incredibly important area to me, especially medical care, research into traumatic brain injury, the VA Inspector General's Office, and then GI Bill benefits in a changing climate where we are using our Guard and Reserve forces at a rate never before seen.

I have had the privilege to spend the first year on the Veterans' Affairs Committee from which I have had the opportunity to meet veterans from across the United States. From my experience, I believe that we must ensure that VA clinics have the resources to provide the first-class care that these warriors have earned.

I have met with brave men and women who have returned from Iraq with debilitating injuries. Research into traumatic brain injury and prosthetics will help these servicemembers lead normal, happy lives despite the injuries that they received.

As a member of the Oversight and Investigations Subcommittee on Veterans Affairs, I believe it is absolutely imperative that we provide robust funding to the VA Office of Inspector General. The VA's Office of Inspector General returns, by stopping fraud, waste, and abuse, returns about \$11.00 for every dollar that we invest in finding fraud, waste, and abuse.

Two weeks ago at a hearing we had, I absolutely was shocked to hear when the Inspector General for the VA said that about \$300 million in fraud, waste, and abuse charges are going uninvestigated and unpunished. And the question I asked him, was it safe to say that during a time of war that we have war profiteering going on on the backs of our most grievously wounded soldiers and the reason that we were not stopping it was because the Administration's budget under-funded the Inspector General, the only independent audit agency. And the Inspector General himself said, yes, that that was the case. So I would hope we would get there.

And lastly on this issue is modernizing GI Bill benefits, recognizing that the National Guard and Reserve are shouldering the brunt of this deployment.

In July of 2007, 1,162 soldiers from Minnesota National Guard returned from a 22-month mobilization and deployment to Iraq, the longest of any ground combat in Iraq.

When they returned home, they learned they were unable to receive Chapter 30 GI Bill benefits because their orders had said they were one day short.

I have introduced legislation that would address this problem, ensure that it never again happens to our National Guard and Reservists and our warriors, and I am hopeful that the funding this year will make sure that that is there to make it happen.

And, finally, I would urge substantial funding for Function 550 which supports rural healthcare initiatives. One-fourth of America's population lives in rural areas. However, healthcare resources to those residents are scarce. Rural communities are served by fewer doctors, hospitals, and ambulances.

I am very lucky and the people, my constituents are very lucky that we live in an area that feels the effects of the Mayo Clinic in southern Minnesota. But even in an area that has some of the access to the best medical care in the world, we still see our rural areas are suffering from this.

And I urge the Committee to reject President Bush's \$150 million cut in funding for rural healthcare initiatives. It is unacceptable. It will hurt rural areas and it will hurt our communities that are at the heart of what America is.

So, Madam Chairwoman, I thank you for the work that you do and other members of this Committee. I look forward to what I know will be a document coming out of this Committee that will reflect this nation's priorities and values and I thank you for the opportunity to share my concerns with you.

[The prepared statement of Timothy J. Walz follows:]

PREPARED STATEMENT OF HON. TIMOTHY J. WALZ, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF MINNESOTA

Chairman Spratt and members of the committee, I appreciate the chance to testify before you today about funding for important programs within the federal budget.

My testimony will focus on funding for function 750 Administration of Justice Programs that are important to homeland security; function 700 Veterans Benefits and Services; and function 550 Health Programs.

BORDER SECURITY

To begin, I urge the Committee to provide a robust funding level for function 750 Administration of Justice programs.

In January, I had the opportunity to travel to El Paso, Texas and meet with members of United States Customs and Border Protection. On that trip, I was greatly impressed with the professionalism and commitment of the men and women who serve on our borders and with the technology those agents use to safeguard our country.

In El Paso, I watched as CBP agents used canine units to detect a carload of narcotics that a smuggler was attempting to bring into the United States. I met two National Guardsmen who use remote cameras to monitor a section of the U.S.-Mexico border and direct Border Patrol agents to respond to suspected incursions.

It was clear from my visit that while the men and women of Customs and Border Protection have more resources than they had just a few years ago, they could use even more.

I encourage the Committee's support of funding levels that will make it possible for Customs and Border Protection to deploy additional infrastructure, technology and personnel along the borders of the United States.

VA BENEFITS AND SERVICES

Additionally, I urge you to provide significant funding for function 700 Veterans Benefits and Services.

Of particular importance to me is funding for veterans' medical care, research into Traumatic Brain Injury and prosthetics, the VA's Office of the Inspector General, and GI Bill benefits.

I have been privileged to spend my first year in Congress serving on the Veterans' Affairs Committee, from which I have had the opportunity to meet with veterans from every corner of the United States. From that experience, I believe that must ensure that our VA clinics have the resources they need to continue providing first-class care.

I have also met with brave men and women who have returned from Iraq with debilitating physical injuries and mental trauma. Research into Traumatic Brain Injury and prosthetics will help these servicemembers lead normal, happy lives, despite their injuries.

As a member of the Oversight and Investigations Subcommittee of the Veterans' Affairs Committee, it is imperative that we provide robust funding for the VA Office of the Inspector General (OIG), which provides a return of \$11 for every \$1 invested by finding waste in VA's spending and procurement systems.

And I encourage you to provide a funding level sufficient to ensure that returning soldiers can take advantage of the benefits they have earned.

In July 2007, 1,162 returning soldiers from the Minnesota National Guard returned from a 20-month mobilization to Iraq—the longest of any ground combat unit in the war in Iraq. When they returned home, they learned they were unable to receive Chapter 30 GI Bill benefits because their orders were one day short of the requirement.

I have introduced legislation which would address this problem and ensure that it never happens again. I am hopeful that full funding in this year's Budget Resolution will help.

RURAL HEALTH CARE

Finally, I urge your support for substantial funding for function 550, which supports rural health care initiatives.

One-fourth of the American population lives in rural areas, however, health care resources for those residents are scarce. Rural communities are served by fewer doctors, hospitals, and ambulances.

I urge the Committee to reject the President's proposed \$150 million cut in funding for rural health activities. This is an unacceptable level of funding if we are to continue to provide health care to rural America.

Mr. Chairman, thank you for the work that you and the other members of the Committee do, and I look forward to working with you to produce a budget that reflects our country's priorities.

Ms. HOOLEY. Thank you, Representative Walz. I have a couple of questions just very briefly.

Minnesota is one of those states that has led the way along with my State of Oregon on reintegration.

Mr. WALZ. Yes.

Ms. HOOLEY. And my question is, how much have you dealt with that issue?

And last year, we said we wanted some money for staff, for reintegration, for our Guard and Reserve which come home to a very different situation than the regular Army does. They come home to a base where friends and family are, usually medical services, whereas if you are Guard and Reserve, you come home to a state that does not have a base and you are sort of scattered throughout that state without the support system.

And just curious if you would like to comment on what you see needs to be done on the reintegration as well.

Mr. WALZ. Well, I thank you for the opportunity. And you are exactly right, Madam Chairwoman. This is a huge issue in terms of how we reintegrate.

When we had a hearing in the VA Committee in the aftermath of Walter Reed, the fiasco out there where former Senator Dole and Donna Shalala testified in front of us, and Senator Dole made a very simple, eloquent, and exact description of this. He said you spent billions putting them in harm's way. Do whatever is necessary and spend billions getting them out of harm's way.

And you are absolutely right. Our two states are very lucky. And, in fact, right now it is unfortunate, but I would say that if you are going to be deployed, that you are probably better off coming from Oregon or Minnesota right now because both states, and I applaud legislators on both sides of the aisle in those states for in Minnesota, we call it the Beyond the Yellow Ribbon Campaign, which I think is aptly named, that once the parades are done and the welcome home parties are done, we have got years of work to do and we need to make sure that we are reaching out for rural healthcare, we are looking out for job training, we are looking out for our—as I said, the issue here, having been deployed for 22 months, coming home and being told that the person serving next to you is getting benefits and you are not because of an error on an order and then having to go all the way to the Secretary of Defense who tells us, well, you are going to have to change the law.

Those are the types of things we need to do better on. What I will say is we are getting some success, but there is more to be done.

The thing that I think is critical is we last year put in and requested, but the President's budget I do not believe provides the funding necessary to do these reintegration programs on a nationwide scale. And I think we have a responsibility to our articulate this to people across the country, why this is an absolute cost of these conflicts.



You do not just have the cost of the conflict on the other end. There is a lifetime of commitment to these people. There is a lifetime of commitment to their families. And we have seen year after year up until last year when we finally saw adequate funding that we were exacerbating the situation.

So I would say in Minnesota, we are holding our own, but there is more to be done. My concern is is that we need to get this nationwide and for a longer extended period of time.

Ms. HOOLEY. Thank you. Thank you very much for your testimony. Appreciate it.

Mr. WALZ. Thank you.

Ms. HOOLEY. The next member to testify is Representative Wolf from Virginia. Welcome.

**STATEMENT OF HON. FRANK WOLF, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF VIRGINIA**

Mr. WOLF. Thank you very much. I will be very brief and submit the statement.

Ms. HOOLEY. Okay.

Mr. WOLF. I will read one line I have in here. It does not take an expert to realize that this nation is facing a financial crisis like none in our history. This problem has only worsened since I last testified before the Committee.

I beg this Committee. This Congress is failing the American people. There is a bill out there that Jim Cooper has called the Cooper Wolf Bill that sets up a national commission, eight Republicans and eight Democrats, somewhat set up as the bill that we did for the Iraq Study Group, that would put everything on the table, Medicare, Medicaid, Social Security, and tax policy, and take one year to go around the country listening to the American people because the American people know that this Congress is failing them, every one of those gentlemen whose pictures are on the wall.

Mr. Pinetta testified for this bill over on the Senate side. Mr. Kasich is for this bill. If they could come back and vote in this Committee, this would get out. But, unfortunately, they are not here.

And so David Walker sent me a letter two weeks ago, I think a copy went to every member, saying there is an economic tsunami off the coast waiting to come in and take us over.

And what the Cooper Bill does is it puts everything on the table. They take one year, public hearings, every federal reserve district, come back. And what separates this out from all the other commissions, it is required to have a vote, like the Base Closing Commission.

There is a comparable bill over on the Senate side, Conrad and Judd Gregg. I think they will report their bill out. I do not expect that this Congress will deal with it unless there is some change, dramatic change.

So I beg of you do this for our children and do this for our children because I will tell you. Members of Congress who are here now who do nothing on this issue, ten years from now when this thing really gets very different are going to say why did they do not something when they were here.

Lastly, you may have seen the Financial Times piece that came in January saying that if we do nothing, we will lose our Triple A

bond rating within ten years. If we lose our Triple A bond rating, that would be very bad.

With that, I would just submit the full statement.

[The prepared statement of Frank Wolf follows:]

PREPARED STATEMENT OF HON. FRANK R. WOLF, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF VIRGINIA

#### FINANCIAL CRISIS FACING OUR NATION WILL REQUIRE BIPARTISAN EFFORT

Chairman Spratt, Ranking Member Ryan, this committee has an enormous challenge before it in crafting our nation's budget. I appreciate your giving me the opportunity to testify today.

It doesn't take an expert to realize that this nation is facing a financial crisis like none other in our history. This problem has only worsened since I testified before the committee at this time last year. A recent letter I received from outgoing U.S. Comptroller David Walker characterized our country's fiscal outlook as one that will "result in a tsunami of spending and debt levels that could swamp our ship of state."

If we don't get our country's financial house in order and make the sacrifices necessary today, the future for our children and grandchildren will be bleak. Our economic growth will come to a grinding halt, our standard of living and even our national security will be at risk if we don't start actively working to change our current course. We cannot continue to keep borrowing and mortgaging our future to countries like China and Saudi Arabia that carry obscene amounts of our debt.

This issue is a economic and moral issue that hangs like an ominous cloud over everything we do as public servants, yet many ignore it. I understand we won't be able to fix our financial woes overnight, but we must come together across the aisle if there is ever to be any hope of ensuring that our nation's future is strong.

That's why Jim Cooper and I joined efforts and have been calling for a national bipartisan commission that will put everything—entitlement spending, other federal program spending and tax policy—on the table and come up with recommendations to get our fiscal house in order. Nothing would be off limits for discussion by the commission members.

A critical component of the commission's work will be to engage the American people in a national dialogue about the scope of the country's financial conditions and solutions to the problem. After spending six months conducting town hall style meetings around the country the commission will present a report to Congress describing the long-term fiscal problems, public suggestions and views, and policy options available to get us back on the right track. Modeled after the federal base-closing process, Congress would be required to vote up or down on the plan in its entirety. Mandating congressional action is what makes the SAFE Commission unique.

The Cooper-Wolf SAFE Commission legislation has been endorsed by groups across a wide political spectrum—groups who usually disagree more than they agree on policy issues—the Brookings Institution, the Heritage Foundation, the Concord Coalition, and the Committee for a Responsible Federal Budget. The Business Roundtable and National Federation of Independent Business are also on board. National columnists David Brooks, David Broder, and Robert Samuelson all have written about the entitlement crisis facing our country and the SAFE Commission as a potential way forward.

We have over 70 bipartisan cosponsors here in the House, and as many of you may know, Senators Conrad and Gregg have introduced similar legislation in the Senate.

As you consider the FY 2009 budget, I ask that you take the time to review this legislation and consider embracing it. If other viable bipartisan solutions are presented, I think we should look at those, too. The financial tsunami is moving closer to our shores and the longer we wait to act, the harder it will be to stop the tidal wave of red ink. If our children and grandchildren were on the beach with an actual tsunami off the coast, we would do everything we could to help them. We must move beyond politics and come to grips with the fact that the financial future of our country is an American issue and it's on our watch to fix.

I want our children and grandchildren to grow up with all the opportunities the Greatest Generation made possible for you and me. Let's work together to take the necessary action to secure America's future economy.

Thank you, again, Chairman Spratt and Mr. Ryan, for this chance to testify today.

Ms. HOOLEY. Thank you so much.

I happen to agree with you in that we cannot have the kind of deficit and debt that we have and continue this. And I mean, I think one of the reasons this Committee has worked very hard to actually enforce, which it is done almost a hundred percent of the time, the Pay As You Go rules and trying to have a balanced budget, but it is going to take a while.

And you are right. All of the things coming at us when you look at the baby boomers and just Medicare, we are going to be in serious trouble if we do not do something about it.

So I thank you for your testimony and thank you for sponsoring this bill. And we will bring this up before the Committee.

Mr. WOLF. Thank you very much, Madam Chairwoman.

Ms. HOOLEY. You are welcome.

Without objection, the Committee stands in recess subject to the call of the Chair.

[Recess.]

Ms. HOOLEY. The next member to testify is Representative Fossella from New York. Welcome. We are anxious to hear your testimony.

**STATEMENT OF HON. VITO FOSSELLA, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK**

Mr. FOSSELLA. Thank you very much, Madam Chair. It is my pleasure. And I will submit my total statement for the record with unanimous consent if that is okay.

Ms. HOOLEY. Absolutely.

Mr. FOSSELLA. Thank you.

And my primary concern with the President's fiscal year 2009 budget centers on reductions in Medicare and Medicaid funding for hospitals and health systems that could limit access to comprehensive medical care for seniors and low-income individuals.

Let me begin by saying that my concern over these reductions does not blind me to the fact that we need to take steps to curb the spiraling costs of both Medicare and Medicaid to protect it for generations to come.

However, I believe that efforts to reduce the growth of Medicare should be rooted in meaningful reform rather than across-the-board reductions and reimbursements to certain providers.

The Administration's proposal seeks to rein in Medicare spending by targeting the bedrock of Medicare's care delivery, inpatient hospitals, outpatient hospitals, hospices, ambulance services, skilled nursing homes, and inpatient rehabilitation hospitals, as well as home healthcare.

By reducing the update factor of flat funding these programs, the budget proposes the potential to create widespread instability in the program.

In my district alone, the proposed reductions in Medicare would slash payments to our hospitals by nearly \$300 million over the next five years alone. Clearly these reductions would lead to cuts in core Medicare services and leave Staten Island and Brooklyn seniors without access to quality care that I believe they need and deserve.

In addition, I am particularly concerned about the way the President's budget targets teaching hospitals and its disproportionate impact upon the hospital system in New York.

New York City is the physician training capitol of the world. The city trains more physicians in more specialties than any other city across the globe. More than 16,000 residents are trained annually in New York's 56 major teaching hospitals and 113 medical schools.

In the 13th Congressional District of New York, the White House budget proposal would reduce payments to teaching hospitals by more than \$145 million over five years.

Statewide reimbursements to teaching hospitals will be reduced to \$4.3 billion and the proposed cuts will significantly impair the ability of teaching hospitals to adequately train physicians to ensure that patients receive high quality of care.

I believe the proposal is short-sighted, that it fails to acknowledge the pending doctor and nurse shortages throughout the country.

Over time, as hospital and doctor visits have increased, the number of medical school graduates has remained static. Indeed, it is estimated that physician visits will continue to grow by 53 percent between 2000 and 2020, resulting in a shortage of 24,000 doctors and nurses by 2020.

And, similarly, I have concerns about the Administration's proposal to reduce the cost of the Medicaid Program. For instance, the President's budget proposes to eliminate federal Medicaid dollars for graduate medical education payments to hospitals. The proposal would cut payments to the public hospital system in New York City by \$400 million in the first year alone.

On 9/11 health, another critical budget item for New York is the \$25 million to provide health monitoring and treatment for first responders and workers suffering from 9/11 related illnesses as a result of their service at Ground Zero after the September 11th attack.

Last year, the Administration included the same amount in the fiscal year 2008 budget and I was assured that was merely a placeholder until further data was collected on the cost of monitoring.

Clearly, Madam Chair, the need grows. The Federal Government has failed to adequately step up and coordinate a federal response, a comprehensive response to the thousands of people who are currently enrolled and being monitored for illnesses and injuries and sicknesses that they have developed after volunteering, many of them volunteering, many working in Ground Zero.

The New York City Mayor Bloomberg revealed that 681,000 individuals are in need of medical monitoring. Four hundred and ten thousand people heavily exposed to Ground Zero toxins and 30,000 responders are sick, yet 21,000 of them do not have adequate health insurance.

So, Madam Chair, this and other areas of the budget clearly call for, I think, a more reasoned approach to ensure that our most vulnerable get the help and care they need to ensure that New York City's hospitals and particularly the teaching hospitals remain the beacon of greatness that they are and that the 9/11 workers and responders who I think to this day have been too often ignored are

always remembered, not just in this Congress, but on the other end of Pennsylvania Avenue.

[The prepared statement of Vito Fossella follows:]

PREPARED STATEMENT OF HON. VITO J. FOSSELLA, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF NEW YORK

Thank you, Chairman Spratt and Ranking Member Ryan for allowing me to testify before your Committee this afternoon.

My primary area of concern with the President's Fiscal Year 2008 budget centers on reductions in Medicare and Medicaid funding for hospitals and health systems that could limit access to comprehensive medical care for seniors and low-income individuals. Let me begin by saying that my concern over these reductions does not blind me to the fact that we need to take steps to curb the spiraling costs of both Medicare and Medicaid to protect it for generations to come. However, I believe that efforts to reduce the growth of Medicare should be rooted in meaningful reform, rather than across the board reductions in reimbursements to certain providers.

The Administration's proposal seeks to reign in Medicare spending by targeting the bedrock of Medicare's care delivery—inpatient hospitals, outpatient hospitals, hospices, ambulance services, skilled nursing and inpatient rehabilitation hospitals and home health care. By either reducing the update factor or flat-funding these programs, the budget proposal has the potential to create widespread instability in the program.

In my district alone, the proposed reductions in Medicare would slash payments to our hospitals by nearly \$300 million over the next five years alone. Clearly, these cuts would lead to a reduction in core Medicare services and leave Staten Island and Brooklyn seniors without access to the quality care they need and deserve.

In addition, I'm particularly concerned about the way the President's budget targets teaching hospitals and its disproportionate impact upon the hospital system in New York. New York City is the physician training capital of the world. The City trains more physicians in more specialties than any other city across the globe—more than 16,000 residents are trained annually in New York's 56 major teaching hospitals and 13 medical schools.

In the 13th Congressional District of New York, the White House budget proposals would reduce payments to teaching hospitals by more than \$145 million over 5 years. Statewide, reimbursements to teaching hospitals would be reduced by \$4.3 billion. The proposed cuts will significantly impair the ability of teaching hospitals to adequately train physicians to ensure that patients receive a high quality of care.

This proposal is short-sighted and fails to acknowledge the pending doctor and nurse shortages throughout the country. Over time, as hospital and doctor visits have increased, the number of medical school graduates has remained static. Indeed, it is estimated that physician visits will continue to grow by 53% between 2000 and 2020, resulting in a shortage of 24,000 doctors and nurses by 2020.

Similarly, I have concerns about the Administration's proposals to reduce the costs of the Medicaid program. For instance, the President's budget proposes to eliminate federal Medicaid dollars for graduate medical education (GME) payments to hospitals. This proposal alone would cut payments to the public hospital system in New York City by \$400 million in the first year alone.

On a smaller scale but of critical concern to New York City's hospitals, the President's budget includes significant cuts to bioterrorism preparedness grants. The Administration proposal reduces funding for the Centers for Disease Control and Prevention (CDC) State and Local Bioterrorism and Emergency Public Health Preparedness by \$136.7 million, and the Hospital Preparedness Grants administered by the Office of the Assistant Secretary for Preparedness and Response by \$60 million. In high threat areas like New York City, these dollars are essential to the emergency preparedness efforts of the hospitals and the Department of Health. In conjunction with the massive cuts to reimbursements under Medicare, the hospitals in my district will be woefully underfunded to adequately coordinate and maintain plans to respond in the event of a bioterrorism attack or public health emergency. In fact, a recent report by the National Association of County and City Health Officials found that cuts in these programs that have occurred in recent years have adversely affected the emergency and bioterror preparedness at the local level.

While I have reservations about several of the health care budget proposals, I would like to commend the President for his dedication to providing high-quality health care to our nation's veterans. Since 2001, the President has increased funding for veterans medical care by 100% overall; the President's budget recommends an almost \$5 billion increase over the estimated levels for FY08.

In addition, I would like to express my support for the inclusion of a \$2.7 billion increase in funding for discretionary Pell grants included in the President's budget for the Department of Education. This investment, in conjunction with funding provided by the College Cost Reduction and Access Act will support a maximum Pell grant of \$4,800 in 2009 and allow the maximum grant to rise to \$5400 in 2012. As the cost of tuition continues to rise, this increase will help to make college more affordable for families throughout my district.

#### 9/11 HEALTH

Another crucial budget item for New York is the inclusion of \$25 million to provide health monitoring and treatment for first responders and workers suffering from 9-11-related illnesses as a result of their service at Ground Zero.

Last year, the Administration included the same amount in the FY08 budget, and I was assured that it was merely a "place holder" until further data was collected on the costs of monitoring and treatment. It was expected and is now evident that these programs need significantly more funding. The National Institute for Occupational Safety and Health (NIOSH), which administers the World Trade Center program, developed estimates that put the costs for running the current program at \$218 million for FY 2009. With a recent GAO report that shows the federal response could be improved, and that shows not only that a large number of individuals are sick but are getting sicker, how possibly could the need for funding remain at \$25 million in FY 09?

Many of these sick 9/11 workers are suffering from long-term illnesses as a result of inhaling Ground Zero's toxic plume. Some have even died from their sickness. A report released by New York City Mayor Michael Bloomberg revealed that 681,000 individuals are in need of medical monitoring, 410,000 people were "heavily exposed" to Ground Zero toxins and 30,000 responders are sick, yet 21,000 of them do not have adequate health insurance.

As you develop the budget, I urge you to keep in mind the \$25 million is a starting point and any budget resolution should include a caveat for adding funding. I would also like to point out that this isn't just a New York problem—it's a national problem. People from all over the country came to Ground Zero to help New York and our nation get back on its feet again. Many are suffering from the same illnesses New York police and firefighters have. Funding these critical programs will help those individuals as well.

#### HOMELAND SECURITY FUNDING

As a priority, we need to ensure that homeland security programs are adequately funded—and that this funding is directed to the cities that face the greatest threat. Since the creation of the Urban Area Security Initiative (UASI), a program that distributes 100% of the grants based on risk, funding levels to our highest-threat areas have continually fluctuated. This is extremely dangerous for our national security and creates needless uncertainty for police departments, first responders and others to prepare and carry out anti-terror activities. Yet I was heartened to see a \$5m increase over last year's enacted level for the UASI program. For UASI in FY 09, the president has requested \$825m, and I believe this is a good start for funding one of the most important programs that gives grants directly to localities for use in fighting terrorism. While we have made progress on this issue in recent years, Congress should send resources to fight terrorism where they are needed most, not based on arbitrary formulas.

#### SOCIAL SECURITY ADMINISTRATION

I'd also like to express my support for an increase in funding for the Social Security Administration. The President's Budget proposes a 6% increase over the FY08 level—a number itself that was \$451 million higher than 2007. Prior to these increases, the SSA went 10 years without any adjustments in funding levels. As a result, as the number of beneficiary visits and claims increased, staff and funding levels at the social security offices in my district decreased, leading to increasingly long wait times for appointments or decisions on claims. In fact, in my district, beneficiaries can wait as long as a year to schedule a claims hearing, and can wait longer than 2 years on appeals of denied claims. I would urge this Committee to consider greater increases in the SSA budget—both to reduce wait times for beneficiaries and to better prepare the SSA for its new responsibilities in administering Medicare Part D.

## COMPETITIVENESS

I would also like to take the opportunity to speak briefly about the Administration's proposal to impose a new tax on futures transactions that are cleared by derivative clearing organizations regulated by the Commodity Futures Trading Commission (CFTC). I am concerned this proposal will reduce liquidity on our futures exchanges, diverting trades from the regulatory oversight of the CFTC to unregulated or foreign markets. In an increasingly globalized marketplace, I would urge the Committee not to accept a proposal that will reduce the competitiveness of American futures markets.

## GENERAL

Lastly, I would like to express my support for several discretionary programs that are of critical importance to Staten Island and Brooklyn.

First, I'd like to express support for funding for the Department of Justice to implement the Edward Byrne Justice Assistance Grant (Byrne-JAG) program. These grants provide essential federal support for law enforcement agencies and their efforts to combat against drug and gang activities in our local communities. In addition, I would urge adequate funding for the National Estuary Program that provides funding to local coastal communities like Staten Island and Brooklyn to protect and restore estuaries and watersheds. Lastly, I would like to stress the importance of adequately funding the National Institutes of Health to achieve further progress in research and treatments for diseases like diabetes, cancer and neurological disorders.

Thank you for the opportunity to testify today before this Committee.

Ms. HOOLEY. Thank you, Representative.

I think you are absolutely right. When we look at our teaching hospitals and the cuts that have been proposed, we know that we have a huge nursing shortage. We are recruiting nurses from around the world, often the best nurses from other countries, and we have particularly a shortage of primary care physicians.

So it is already difficult for Medicare patients to get in and see a primary care physician. And as the baby boomers increase their numbers of retirement, I think it is going to be more difficult.

So I agree with you totally on that issue and will make sure that it comes before the Committee, and really appreciate your time and your effort and for testifying today.

Mr. FOSSELLA. Thank you very much and thank you for your time.

Ms. HOOLEY. Thank you.

I appreciate all the members that have taken their time to testify today. These are issues that are near and dear to everybody's hearts and talking about whether it is teaching hospitals or talking about what we need to do for our veterans, the testimony, I think, has been terrific.

And at this time, the Committee is now adjourned. Thank you.

[Additional statements for the record follow:]

[Statement submitted by Ms. Brown-Waite follows:]

PREPARED STATEMENT OF HON. GINNY BROWN-WAITE, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF FLORIDA

Mr. Chairman, I would like to thank you for giving me the opportunity to submit a statement to the Committee today. The hearing is a wonderful opportunity for Representatives from across the country to express their views on the President's budget proposal for the 2009 fiscal year.

As you know, Mr. Chairman, there is no doubt that the state of our nation's finances is grim. The budget deficit is undeniable and requires immediate attention. As Members of Congress, we have an obligation to ensure that this burden is not passed along to our grandchildren. The President's budget takes steps toward achieving fiscal responsibility by keeping the growth of government programs to a minimum.

That having been said, we have an obligation to keep our promises to those who have defended our freedom. As you may be aware, my district is home to over 100,000 veterans, the most of any Member of the House of Representatives. I have an extraordinary charge to advocate for policies and legislation that best care for veterans' needs.

As such, I would like to raise my objections to the President's budget for the Department of Veteran Affairs. I have consistently opposed charging veterans an enrollment fee or dramatically increasing their prescription drug co-pays. Since I first came to Congress, I have fought against the Administration's desire to charge higher-income veterans, such as those veterans grouped as category 7 and 8, enrollment fees and higher co-payments. This change has been requested by the Administration every year since 2004, and with strong bipartisan support, this policy has been rejected every year. It is in the best interest of our nation's veterans for Congress to work in a bipartisan manor to do the same this year.

Another aspect of the Department of Veterans Affairs budget that concerns me is funding for the Office of Inspector General (OIG). In FY 2008, Congress provided the OIG with \$80.5 million in funding which enabled the OIG to hire 48 Full Time Equivalent (FTE) employees and expand its oversight capabilities. For FY 2009, the President has requested \$75.6 million for the OIG. This decrease will require the OIG to eliminate the 48 newly hired FTE employees and cancel the oversight projects assigned to those employees.

The OIG is an invaluable resource that forces VA to spend wisely, eliminate waste, and ensure our veterans receive the best care possible. In fact, the OIG provides a return of \$11 for every \$1 invested in its services. In light of the historic increases Congress has made to the VA's budget in recent years, it is crucial that the OIG has enough funding to monitor how VA uses its resources. As such, I support the Republican Views and Estimates for the Committee on Veterans' Affairs that provides \$111.1 million in FY 2009 for the OIG.

The second priority I would like to highlight is extremely important to the people of Florida.

STARS is a Subtropical Agricultural Research Station near my home in Brooksville, FL, and is funded under the Agricultural Research Service, which is the research arm of the Department of Agriculture.

The Agricultural Research Service's mission statement quotes that it finds solutions "from field to table." The research done at STARS is invaluable, both to the scientists who devote their lives to it, and to everyone who benefits in return. Because of this 3800-acre beef cattle research facility, American farmers plant high quality, disease- and pest-resistant crops and protect livestock from bacteria that could eventually make its way into our food stock.

For Fiscal Year 2009, the President's proposed budget contains an \$84 million dollar reduction for the Agricultural Research Service. Because of the proposed reduction for next year, the ARS has proposed closure for 11 of its 100 locations. STARS is one of the sites the Agricultural Research Service plans to close.

The annual operating budget for STARS is \$1.4 million dollars, a nominal amount when we look at the total spending contained in this budget proposal. In addition, this research site is particularly close to my heart because I bring my staff to this location for office retreats.

As the committee drafts the budget resolution for the 2009 fiscal year, I hope that you take my requests into consideration and not include any proposal to increase fees for veterans' health care, or make cuts to the Agriculture Research Service. Again, thank you for allowing me to submit this statement to the committee.

[Statement submitted by Ms. Bordallo follows:]

PREPARED STATEMENT OF HON. MADELEINE Z. BORDALLO, A DELEGATE FROM THE TERRITORY OF GUAM

Good afternoon Chairman Spratt and Ranking Member Ryan. Thank you for the opportunity to testify before the House Committee on the Budget on the Administration's budget proposal for Fiscal Year 2009 and Guam's budget priorities for the upcoming year. I greatly appreciate your attention to and consideration of the priorities that I identify.

First, I respectfully request and appeal to the Committee to include in its proposed budget resolution for Fiscal Year 2009 sufficient budgetary headroom to allow for Congress to pass legislation to implement the recommendations of the Guam War Claims Review Commission. Second, I respectfully request that the budget resolution for Fiscal Year 2009 also include budgetary headroom for the Department of Labor to provide additional workforce development programs and projects on Guam. I thank this committee for including reference to the Guam war claims legis-



lation in last year's report accompanying the budget resolution. This was critical to overcoming budgetary hurdles that have hampered this legislation in the past. We hope that the committee can continue this commitment again this year to help enable Senate passage.

I first introduced H.R. 1595, the Guam World War II Loyalty Recognition Act, during to 109th Congress and re-introduced the legislation last year. The bill received favorable consideration in the House Committee on Natural Resources and was reported to the House of Representatives. On May 8, 2007, H.R. 1595 was passed by an overwhelming vote of 288 to 133 and was sent to the Senate for their consideration. The legislation has been referred to the Senate Committee on the Judiciary. We believe that the Senate will take action on this legislation during the 2nd session of the 110th Congress so sufficient budget authority is needed to ensure that funding does not impede the progress of this critical legislation for Guam.

As in previous years, the Congressional Budget Office (CBO) estimates that the budget should provide for a least \$126 million over three fiscal years for legislation to implement the recommendations of the Guam War Claims Review Commission as is stipulated in H.R. 1595. This estimate is based on every possible conceivable claim whose payment would be authorized by the legislation.

The Guam War Claims Commission, which was authorized in the 107th Congress, conducted hearings on Guam to receive testimony from survivors. In addition to these hearings, the Commission also received questionnaires from survivors on their occupational experiences. In total, approximately 8,000 questionnaires were received by the Commission primarily from survivors on Guam and to a smaller extent, from throughout the entire United States. Based upon these returned questionnaires, it is estimated that the amounts of actual claims would be significantly lower than the Commission's original estimates and the conservative estimate provided by CBO. Death claims may be as low as 330 based on the self-declarations in the questionnaires. While injury claims may actually number closer to 4,000 to 5,000. It should also be noted that the final report of the Guam War Claims Review Commission included estimates for the potential death and personal injury claims. The Commission estimated total funding for claims to be \$126 million based on 1,000 deaths and 8,551 survivors.

The Congress has a moral obligation to bring closure for the loyal Americans who experienced the brutality of the occupation on Guam. I respectfully request that the budget resolution for Fiscal Year 2009 take into account the costs associated with H.R. 1595 and that would help fulfill our moral obligation to our fellow Americans and to bring justice to them as has been recommended by the federal commission authorized by the 107th Congress.

Looking forward, the planned realignment of military forces onto Guam will create substantial budget pressures on the Department of Defense (DOD). The largest part of this force posture change is the realignment of nearly 8,000 Marines from the III Marine Expeditionary Force currently stationed in Okinawa, Japan. Additionally, the Air Force is realigning a Red Horse Squadron from Osan, Korea adding nearly 3,000 more airmen to Andersen Air Force Base along with a planned increase of Navy personnel on Guam. The realignment of these forces is estimated to cost \$14 billion dollars over the next six years.

Unlike other major personnel movements and base closures, this realignment also includes funding from the Government of Japan. Nearly \$6 billion dollars of the total \$14 billion dollar cost will come from the Government of Japan and related entities. Although this will relieve some financial pressure on the United States Government, it will still require the Department of Defense to program nearly \$8 billion in resources over the next five to six years. The Department has not identified all the authorities that will be required in order to execute the Japanese funding through special purpose entities. As such, the Department of Defense will likely need budget room to program the Japanese funding dollars so they can be executed for projects on Guam.

Planning for the realignment is well under way and under the direction of the Joint Guam Program Office (JGPO) in coordination with U.S. Naval Facilities Engineering Command. The draft initial master plan is due out next month and will help guide federal and local planning efforts. Moreover, the Environmental Impact Statement (EIS) is under works and the draft EIS is estimated to be completed in January, 2009. Also, the Department of Defense is working closely with the Department of the Interior through the Interagency Group on Insular Areas (IGIA) to coordinate further investment by other interested federal agencies that can provide Guam with funding to improve their medical, educational and physical infrastructure.

In particular, additional budget authority should be provided to the Air Force for the purposes of increasing their military construction budget. Between fiscal year

2008 to 2009 the overall construction budget decreased by thirty-two percent. This drastic decrease is of great concern because of the impact that it will have on the readiness of the Air Force. Facilities are critical for the maintenance of assets and for maintaining a high quality of life for airmen across the country. The Air Force has identified an unfunded requirement of \$748 million for military construction in Fiscal Year 2009. I respectfully request that the Committee include additional budget authority for the Air Force military construction account in order to ensure that the Air Force has the necessary resources and infrastructure to complete its missions.

This issue is of particular importance to Guam as our community prepares for the build-up of forces. Unfortunately, there is a decrease in military construction funding of nearly forty percent. The decrease is particularly troubling because it is anticipated that in fiscal years 2010 through 2014 that up to \$1 billion of construction funding will be executed on Guam during that timeframe. However, the on-island capacity for construction is limited to approximately \$500 million per year. Thus, it was important for military construction funding to be slowly ramped up in years prior to major construction so that the on-island workforce will be ready for the substantial increases. The significant cuts in Air Force military construction accounts are a major factor for this decrease in funding. I am concerned that the decrease in funding this year will be a set-back for local industry as it prepares for the military build-up.

Guam's growing importance as a strategic asset to our national security is evidenced by the planned increase in DOD investment in the island's bases. Guam is proud to serve the United States in this manner. But it is important that the Federal Government begin now to help the island prepare for this enhanced role. The Committee's support by means of providing budgetary headroom for the implementation of the recommendations of the Guam War Claims Review Commission will go far toward achieving this goal. I appreciate the opportunity to submit this testimony for the record. Thank you for your consideration of my testimony.

[Additional material submitted by Ms. Castor follows:]

#### ADDITIONAL REMARKS OF MS. CASTOR

I would like to thank Chairman Spratt and members of the Committee for their leadership and for holding this special Members' Day. I appreciate the opportunity to testify before the Committee and offer my thoughts on an issue that affects states throughout our nation.

Many states are facing severe funding shortfalls in Medicaid funding. In FY '08, 20 states lost Medicaid funding from 2007 and 17 states are projected to have FMAP decreases in FY '09.

States like Florida, Texas, Mississippi, Oklahoma, Nevada, Louisiana and others are in danger of losing millions upon millions in federal Medicaid dollars. Yet, Medicaid enrollment is expected to increase.

The current FMAP formula is outdated and does not accurately reflect current income levels.

The inaccuracies in the current FMAP formula for many states increases the difficulty that states are already having providing needed funding for Medicaid as a result of our nation's dire economic state.

In the 2003 economic stimulus package, Congress approved \$10 billion to temporarily enhance FMAP percentages for every state.

A similar increase today could both prevent scheduled decreases and temporarily increase FMAP allocations for every state. We need immediate economic relief that will alleviate the strain on state Medicaid budgets and ensure that our nation's residents with the highest needs do not go without critical health services.

Families and businesses have already been hard hit by the economic downturn and an increase in Medicaid spent on vital health services is the most beneficial and effective way to strengthen our economy.

For millions of families, Medicaid is the only form of health coverage available. In my home state of Florida, Medicaid serves approximately 2.2 million residents, over half of whom are children.

Struggling and hardworking families depend on this support for health care. An increase in Medicaid funding will provide families with critically needed medical care.

Medicaid is a lifeline for many pregnant women, families who are transitioning from welfare to work, young children and seniors who qualify for Supplemental Security Income (SSI).

My home state of Florida is not alone in severe projected Medicaid shortfalls, but a unique anomaly is exacerbating our problems in Florida.

Florida was hit by seven hurricanes in two years: Charley, Frances, Ivan and Jeanne in 2004 and Katrina, Rita and Wilma in 2005.

As a result of these hurricanes, per capita income levels in Florida temporarily surged upward due to a repair and rebuilding period. The anomaly caused the FMAP formula in Florida to skew so it does not accurately attend to the state's need.

This anomaly will leave Florida's neediest residents, without vital health services if Florida's FMAP allocation is not corrected.

Cuts in Medicaid funding from Florida's skewed numbers will adversely impact my neighbors in the Tampa Bay area, residents in the state of Florida and others living in states which face similar cuts.

In Florida, we are facing a \$500 million hit in Medicaid funding, which will have a devastating effect on hardworking families.

It is estimated that Florida will suffer a \$220 million hit in FY '09 alone.

FMAP must be reformulated to reflect every states most recent data.

Millions of families who depend on Medicaid for health care will be forced to go without if these cuts occur.

Congress must act to prevent this from happening. We must act to protect our nation's neediest citizens—seniors, pregnant women and children.

We must work to provide protection for the folks who need it the most.

We must correct the FMAP allocation and enhance Medicaid funding.

Again, thank you Mr. Chairman and members of the Committee for this opportunity to testify on behalf of my state and others affected by this issue.

[From the Miami Herald Media Company]

### **Florida's Post-Storm Income Rise Cuts Federal Medicaid Cash**

By LESLEY CLARK

Florida's record spate of hurricanes was great for blue tarp manufacturers and apparently, the state's per capita income, which surged in a post-storm construction boom.

But those years are over and the boom now is taking a bite out of the state's share of federal Medicaid dollars. Because the federal money is doled out according to a formula based on the state's past per capita income, its share of federal dollars is dropping, even as demand for Medicaid increases and the state's fiscal picture dims.

"Those were the boom years for a bunch of states and now, when they need it, the states are feeling the pinch," said Matt Salo, director of health and human services for the National Governors Association, who joined state officials Wednesday to plead with Florida's congressional delegation to address what the state estimates could be a \$500 million hit.

"This is a significant loss of revenue that could affect the disabled, nursing home residents, mothers and children," said Rep. Kathy Castor, D-Tampa, who is leading efforts within the delegation to find a fix.

Castor said House leadership has shown interest in addressing the issue in upcoming legislation. In 2005, she noted, Congress increased the Medicaid payment for states affected by Hurricane Katrina.

"Seven hurricanes in two years [Charley, Frances, Ivan and Jeanne in 2004 and Katrina, Rita and Wilma in 2005] and subsequent reconstruction activity are skewing the Florida [Medicaid] formula," Castor wrote in a letter to House Speaker Nancy Pelosi. "This anomaly has resulted in significant projected reductions in health services to Florida's neediest residents."

The portion of Medicaid paid by the federal government is calculated on a three-year average of state per capita personal income, compared with the national per capita income.

For the fiscal year that began in October, Florida's federal share dropped nearly two percentage points, from 59 percent federal match to 57 percent. And it will drop again in the federal budget that starts in October, from 57 percent to 55 percent, said Carlton Snipes, acting deputy secretary for Medicaid at the Florida Agency for Health Care Administration.

### **ECONOMIC STIMULUS: A STATE PERSPECTIVE**

NATIONAL GOVERNORS ASSOCIATION

*January 18, 2008*

**Targeted State-Federal Programs for High-Risk Populations**—As unemployment increases, the case loads of state low-income programs also increase. Federal investments in targeted state-federal programs can quickly distribute funds to the most

needy individuals and help avoid cuts to basic services. Programs falling into this broad category include:

#### MEDICAID

The Federal Medical Assistance Percentage (FMAP) is the share of the state Medicaid benefit costs paid for by the federal government. FMAPs are recalculated each year and the new FMAP is applied at the start of the federal fiscal year. The current FMAP formula reflects economic conditions from several years ago, thereby creating a lag that could exacerbate problems states have financing Medicaid during a period of fiscal downturn. In federal FY 2008, 20 states experienced FMAP declines over their federal FY 2007 FMAP. Seventeen states are projected to have FMAP decreases in federal FY 2009, beginning October 1, 2008. At the same time, anecdotal evidence is emerging of increasing state Medicaid program enrollments.

During the last economic downturn, Congress approved \$10 billion to temporarily enhance FMAP percentages for every state by 2.95 percent for five quarters. In addition, a hold harmless provision preventing scheduled FMAP decreases was implemented for periods in 2003 and 2004. Both preventing scheduled decreases and temporarily increasing all states' FMAPs would provide immediate fiscal relief to states by alleviating Medicaid obligations and preventing cuts to programs important to residents during fiscal downturns.

*January 28, 2008.*

Hon. HARRY REID, *Majority Leader*; Hon. MITCH MCCONNELL, *Minority Leader*, U.S. Senate, Washington, DC.

Hon. NANCY PELOSI, *Speaker*; Hon. JOHN BOEHNER, *Minority Leader*, U.S. House of Representatives, Washington, DC.

DEAR SENATOR REID, SENATOR MCCONNELL, SPEAKER PELOSI, and REPRESENTATIVE BOEHNER: The nation's governors urge you to include state countercyclical funding as part of your legislation to stimulate the economy. This would include \$6 billion in Medicaid assistance by freezing scheduled federal FMAP reductions and increasing all states' FMAP as well as providing \$6 billion in a flexible block grant.

The revenue reductions and Medicaid increases that accompany all economic downturns, in combination with state balanced budget requirements, are forcing states to cut spending as the economy weakens. These actions are procyclical and will make the current downturn both longer and more severe.

States already are experiencing the effects of the slowing economy. The week of January 14, the National Governors Association surveyed all states and found that 18 states reported shortfalls totaling \$14 billion for fiscal year 2008 and 17 states projected shortfalls of \$31 billion for fiscal year 2009.

During the last two recessions, the state fiscal picture continued to deteriorate for two years after the recessions ended. For example, in 2001, the year the last recession ended, 16 states were forced to cut budgets. In each of the next two years, 37 states had to make cuts to meet shortfalls. If the current downturn follows the path of the two previous recessions, 35 to 40 states will face budget cuts in 2009.

In 2003, Congress approved \$20 billion in assistance to states, including \$10 billion in Medicaid and \$10 billion in block grants. The governors' current stimulus proposal is essentially the same, with the exception that it is a total of \$12 billion as opposed to \$20 billion. This proposal can be enacted quickly, as there is precedent and it is timely, temporary and targeted.

Additionally, governors appreciate federal efforts to use tax policy to get additional money into the hands of consumers and businesses to stimulate the economy. When considering tax changes to spur economic growth, governors urge Congress and the Administration to follow the maxim of "Do no harm" by avoiding changes at the federal level that would diminish state tax revenues or force state actions that would undermine the effectiveness of federal efforts.

We look forward to working with you to enact the appropriate stimulus program.  
Sincerely,

GOV. TIM PAWLENTY, *Minnesota*.  
GOV. EDWARD G. RENDELL, *Pennsylvania*.  
GOV. JANET NAPOLITANO, *Arizona*.  
GOV. MIKE BEEBE, *Arkansas*.  
GOV. ARNOLD SCHWARZENEGGER, *California*.  
GOV. BILL RITTER JR., *Colorado*.  
GOV. M. JODI RELL, *Connecticut*.  
GOV. RUTH ANN MINNER, *Delaware*.  
GOV. CHARLIE CRIST, *Florida*.  
GOV. ROD BLAGOJEVICH, *Illinois*.  
GOV. CHESTER J. CULVER, *Iowa*.  
GOV. KATHLEEN SEBELIUS, *Kansas*.  
GOV. STEVEN L. BESHEAR, *Kentucky*.  
GOV. JOHN BALDACCI, *Maine*.  
GOV. MARTIN O'MALLEY, *Maryland*.  
GOV. DEVAL PATRICK, *Massachusetts*.  
GOV. JENNIFER M. GRANHOLM, *Michigan*.  
GOV. MATT BLUNT, *Missouri*.  
GOV. JIM GIBBONS, *Nevada*.  
GOV. JOHN H. LYNCH, *New Hampshire*.  
GOV. JON S. CORZINE, *New Jersey*.  
GOV. BILL RICHARDSON, *New Mexico*.  
GOV. ELIOT SPITZER, *New York*.  
GOV. MICHAEL F. EASLEY, *North Carolina*.  
GOV. JOHN HOEVEN, *North Dakota*.  
GOV. TED STRICKLAND, *Ohio*.  
GOV. BRAD HENRY, *Oklahoma*.  
GOV. THEODORE R. KULONGOSKI, *Oregon*.  
GOV. ANÍBAL ACEVEDO VILÁ, *Puerto Rico*.  
GOV. DONALD L. CARCIERI, *Rhode Island*.  
GOV. M. MICHAEL ROUNDS, *South Dakota*.  
GOV. JON HUNTSMAN JR., *Utah*.  
GOV. JAMES H. DOUGLAS, *Vermont*.  
GOV. TIMOTHY M. KAINE, *Virginia*.  
GOV. JOHN DEJONGH, JR., *Virgin Islands*.  
GOV. CHRISTINE O. GREGOIRE, *Washington*.  
GOV. JOE MANCHIN III, *West Virginia*.  
GOV. JIM DOYLE, *Wisconsin*.  
GOV. BOB RILEY, *Alabama*.

*Printed from the NGA web site.*

*January 23, 2008.*

Speaker NANCY PELOSI, *Office of the Speaker*,  
H-232, US Capitol, Washington DC.

Chairman CHARLES B. RANGEL, *Committee on Ways & Means*,  
1102 Longworth HOB, Washington, DC.

Chairman JOHN D. DINGELL, *Committee on Energy and Commerce*,  
2125 Rayburn HOB, Washington, DC.

RE: *Strengthen Health Care Safety Net (Medicaid) as Economic Stimulus*

Dear SPEAKER PELOSI, CHAIRMAN RANGEL, and CHAIRMAN DINGELL: I am very encouraged that enhancements to the health care safety net—Medicaid—are being considered as part of the economic stimulus package. Enhanced Medicaid funding spent on vital health services is the most beneficial and effective way to support struggling and hardworking families in the State of Florida and directly invigorate our economy. Medicaid serves approximately 2.2 million in Florida, with over half of those being children.

Florida families and businesses have already been hard hit by the economic downturn. The mortgage and real estate crisis has caused revenue shortfalls and threatens to trigger state-constitutionally mandated budget reductions that likely will result in cuts to health care for our neediest residents under Medicaid. At the same time, Florida's Medicaid Federal Medical Assistance Percentage (FMAP) is set to decrease substantially in future years.

As you know, FMAP is the portion of Medicaid paid by the federal government and is calculated based on a 3-year average of state per capita personal income com-

pared to the national income. Seven hurricanes in two years (Charley, Frances, Ivan, and Jeanne in 2004 and Katrina, Rita and Wilma in 2005) and subsequent reconstruction activity are skewing the Florida FMAP formula. This anomaly has resulted in significant projected reductions in health services to Florida's neediest residents due to the federal match rates for the Florida Medicaid Program in years 2007-2010. Families transitioning from welfare to work, pregnant women, young children and seniors who qualify for Supplemental Security Income (SSI) may soon see reductions in vital health services. Florida will take a \$220 million hit in its FY 09 FMAP allocation alone.

Therefore, I respectfully request that you correct Florida's FMAP allocation in the stimulus package. There is precedent for Congress to address such hardship, help those that need it, and have an immediate positive affect on the economy. In 2003, Congress passed a stimulus package that provided \$10 billion in temporary relief to states through hold harmless provisions that blocked FMAP decreases for the last two quarters of FY 03 and the first three quarters of FY 04, and instead increased the FMAP by 2.95 percentage points. In 2005, Congress increased the FMAP for states ravaged by Hurricane Katrina in an effort to bring economic stability to the devastated region.

Congress must act again to address such hardship and protect the health care safety net for our neediest citizens—seniors, pregnant women, and children. This timely, targeted, and temporary enhancement will ensure direct stimulus Florida's economy.

Sincerely,

KATHY CASTOR, *U.S. Representative,  
Florida—District 11.*

National Governors Association

#### **FMAP Policy Position**

The nation's Governors strongly support a combination of a \$6 billion block grant and \$6 billion in increased Medicaid funding to be included in any stimulus package enacted into law during the economic downturn of 2008. The increased Medicaid funds should come through increasing each state's federal medical assistance percentage (FMAP) and holding states harmless from scheduled FMAP decreases for the four fiscal quarters beginning April 1, 2008. The block grant funds should be distributed to states on a population formula based on the most recent data available. There is a precedent in that a similar package of \$20 billion was enacted in 2003. This policy meets the criteria of being timely, targeted, and temporary.

*Adopted by the Executive Committee on January 23, 2008.*

[Statement submitted by Mr. Forbes follows:]

PREPARED STATEMENT OF HON. J. RANDY FORBES, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF VIRGINIA

Chairman Spratt and Ranking Member Ryan. Thank you for the opportunity to furnish my perspective on what is needed to achieve the twin goals of providing adequate funding to improve the readiness of our military and to reduce the strategic risk faced by our military and our country. As the ranking member of the House Armed Services Subcommittee on Readiness, I closely follow the military's readiness reports, frequently listen to testimony of uniformed and civilian leaders in the Pentagon, and talk to our troops serving in the combat theaters. I believe it is critical that we increase the national defense spending in the baseline budget for Fiscal Year 2009.

There is widespread political disagreement about the war in Iraq. Yet, all Americans are grateful to the men and women in uniform that serve our country and want them to be provided the best training and equipment for their service so they are as ready as possible should they be called upon by our country. Expert testimony I have heard in the House Armed Services Committee describes a military that is the most professional, experienced, adaptive, and capable force we have ever seen. Yet, there are readiness issues that must be addressed that I would like to raise today. Although there are many that blame the current state of readiness wholly on operations in Iraq, it is clear to me that there are broader factors that must be addressed if we are to ensure our military is capable and ready for whatever the nation calls it do.

We, as a nation, once viewed our reserve component as a strategic reserve. We believed that if we needed them for a protracted war, we would have time to equip and train them before they were needed on the front lines. We have since learned that the budget process and the industrial base are not agile or flexible enough to

adequately fill existing shortfalls in equipment and training as quickly as necessary. This is a hard lesson to learn and the stress and strain placed on our military because of this is unmistakable.

In addition to an ill-equipped reserve component, we are also faced with the fact that we took a procurement holiday in the 1990's. It takes many years to design and build things like fighter aircraft, combatant ships, and aerial refueling tankers. We simply cannot go out and buy these items off the shelves of the local Wal-Mart or 7-11 if we suddenly realize they are needed. Declining readiness today is a result of poor investment a decade ago.

We are working aggressively to correct these deficiencies that existed long before September 11, 2001, but we are doing this while we are also fielding and supporting troops in combat. Much of this is done with supplemental funding and, because of that, many mistakenly attribute the cost of rebuilding and modernizing our forces with the costs of war. Given these facts, I believe it is critical that we increase the national defense spending in the baseline budget for Fiscal Year 2009.

I make this recommendation with two caveats. First, we do not yet have the Fiscal Year 2009 defense supplemental request, which may provide for a good part of the reset and restoration funding needed to improve the readiness of our military forces should Congress act on it quickly. I share the disappointment with the Budget Committee that we have not yet received this request.

Second, this Congress has yet to act on the full Fiscal Year 2008 supplemental request which has been languishing here for more than a year. There can be no question that the funding in that spending bill will directly improve the readiness of our military and minimize the strategic risk that so many in Congress are concerned about.

In light of these factors, I am compelled to testify today because it is critical in my mind that we separate military readiness from disagreements on the war in Iraq. I believe it is critical that the Fiscal Year 2008 supplement request, which is essential for reset and restoration of our military and reduces the level of readiness and strategic risk we take on as a nation. As your committee has long maintained, military readiness should not be a budgetary tack-on or an afterthought to the rest of the federal budget. The funds needed to maintain our military readiness and strategic posture—whether they are needed because the equipment was used in a combat theater or used in training—ought to be funded in the baseline defense budget request.

There have been several proposals regarding the specific amount of funding that should be allocated towards defense each year. Some have supported four percent of GDP, and that number makes sense to me. Others have suggested we fully fund each of the services' unfunded requirements list. These requirements, while not an official part of the budget, reflect the services' prioritized requirements if additional funds are made available. These unfunded requirements lists are not "Christmas Wish Lists." When you review these documents you find that the services are in need of basic things that did not make it into the budget. When you review these documents you get a clear understanding of the strategic risk we are accepting by not increasing the top line for our nation's military.

But I am here first and foremost, to request that we immediately move to increase the baseline defense budget function in this fiscal year so that our military's readiness, and by extension—our country—are not put in a position of strategic risk. Mr. Chairman, thank you for the opportunity to provide testimony today.

[Statement submitted by Mr. Hinojosa follows:]

PREPARED STATEMENT OF HON. RUBÉN HINOJOSA, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF TEXAS

Chairman Spratt, Ranking Member Ryan and Members of the Committee, thank you for this opportunity to testify before you on the fiscal year 2009 budget. I ask that my written statement be included in the record. The federal budget is our most direct and telling statement of the nation's values and priorities. Unfortunately, when the people of my congressional district—hard working people—many who live in rural areas—most of whom are Hispanic—look at the federal budget, they do not see their values reflected in the budget; and they do not see their community's well-being and prosperity treated as a national priority.

I am here today to share with you some areas where the federal budget could better reflect the values and priorities of my congressional district and similar communities across the nation. I will focus my remarks on three critical areas: education, health, and economic development.

## EDUCATION

Nothing demonstrates our misplaced national priorities more than our failure to invest in education—particularly our failure to invest in the key programs that are making a difference in the Hispanic community.

Our Census figures tell the story. Hispanics are now the largest minority group in the country. Hispanic children are now second to only non-Hispanic whites in our nation's schools. By 2010, Hispanics will be the largest minority group in our nation's workforce. Yet Hispanic children are the least likely to attend preschool, the most likely to dropout of school before earning a high school diploma, and the least likely to earn a college degree.

Strengthening educational opportunities for Hispanic Americans from pre-school through graduate school must become a national priority. Literally, our future depends on it. Unfortunately, the opposite has been true.

We know what we need to do. We have an investment plan. The Congressional Hispanic Caucus focuses on a group of federal education programs that are critical to the Hispanic community—Titles I and III of the Elementary and Secondary Education Act, migrant education programs, dropout prevention, HEP and CAMP, TRIO, GEAR UP, Hispanic-Serving Institutions, Even Start, Adult English as a Second Language and Civics Education. We call these programs the Hispanic Education Action Plan. The President's fiscal year 2009 education budget shortchanges every one of these programs, not even keeping pace with the current level of services.

We know that literacy is the foundation for learning, and we know that parents are the first teachers for their children. Yet, the President has proposed to eliminate Even Start and Reading is Fundamental—the only programs that support family literacy and promote a love of reading by providing books for low-income children. The No Child Left Behind Act will not be successful unless we support literacy in the home.

The president proposes \$14.3 billion for Title I—a \$406 million increase. This is still well below the authorized amount of \$25 billion. Moreover, the President is proposing that school districts be required to distribute a fair share of funding to high schools based on their share of the school district's low-income students. With out additional resources, this will result in a shift of dollars from elementary and middle schools to high schools. That is why I have called on the president to support the Graduation Promise Act to establish a separate funding stream for high school improvement so that we can tackle our dropout crisis.

With the College Cost Reduction and Access Act, Congress made a historic investment in minority-serving institutions because of their growing importance in producing the college graduates our economy needs to remain competitive. The National Center for Education Statistics reports that since 1984 minority undergraduate student enrollment has surged by 146 percent compared to a growth of 15 percent for the White population. Minority-serving institutions represent less than one-third of all degree granting institutions but enroll more than half of all minority students in postsecondary education. The President proposes to reverse our landmark investment by slashing HSIs by \$18.8 million, HBCUs by \$85 million, Tribal Colleges by \$23.2 million, and Native Alaskan and Native Hawaiian Institutions by 11.6 million. The president's budget shortchanges minority institutions and the minority students they serve.

We also have a critical need for graduate opportunities in the Hispanic community. In 2004, Hispanics only earned 5 percent of masters and professional degrees and only 3 percent of doctorates. It is essential that the fiscal year 2009 budget includes resources for graduate programs at Hispanic-serving Institutions.

We must turn this around and significantly increase the investments in all of these programs. The stakes could not be higher. I urge you to reject the Administration's proposed cuts. I urge you to restore funding that has been cut over the past several years. And I urge you to put us on a path of increased investment starting with fiscal year 2009. Without these investments, our nation will no longer be economically competitive in the future.

## HEALTH

In addition to creating an educated workforce, we also need a healthy workforce if we are to remain competitive. Unfortunately, many people in my district do not have access to quality healthcare, particularly those in rural communities. Rural communities suffer from a lack of trained medical personnel because they cannot compete against urban wages and benefits at a time when we are facing a national shortage of nurses and allied health professionals. Yet the President's budget eliminates health profession training grants and slashes funding by 89% for rural health activities from the 2007 level.



My district is plagued by the ever increasing scourge of diabetes which afflicts my constituents at an ever younger age and in near epidemic numbers. Yet the 2009 budget cuts critical diabetes programs at the Center for Disease Control that bridge the gap between theoretical research at the National Institutes of Health and real community based treatment.

The Centers for Disease Control will also lose \$182 million in funding for programs like the Preventative Health and Social Services Block Grant, Emergency Medical Services for children and the Universal Newborn Screening even while we all know that early prevention can save billions in future health costs.

Provider cuts in Medicare will make it more difficult for my seniors to find a physician to treat them and higher copays will make even Medicaid unavailable to thousands of my constituents. My returning veterans from Iraq will have difficulty accessing services because VA funding will be cut by more than \$3 billion from 2008 to 2012 while the fees imposed on veterans for their health care will increase by \$2.3 billion over that period. This will severely impact the VA's ability to treat new veterans.

I urge the committee to reconsider these policies that will undermine the health of millions of Americans.

#### ECONOMIC DEVELOPMENT

I strongly urge this committee to provide the funds necessary to operate key programs that help bolster economic development in Rural America. Rural America truly is the heartland of this great country. It is up to all of us here in Congress to ensure its continued vitality. The President's fiscal year 2009 budget seems geared to do just the opposite.

Lack of decent affordable housing in rural America is well known. According to the Economic Research Service, some 4 million rural families live in "housing poverty", a multidimensional indicator that combines measures of economic need, housing quality and neighborhood quality. What is more, the 2000 Census revealed that 5.5 million people living in small towns and farming communities face cost overburden, and 1.6 million non-metro housing units are either moderately or severely substandard.

What is less known is the incidence and impact of the subprime mortgage crisis on rural communities across America. Recent research indicates that borrowers in rural areas are more likely than urban borrowers to have loans with prepayment penalties, and many rural borrowers had prepayment penalties significantly larger than urban borrowers.

Rural families are hard pressed to find housing that is decent and affordable. Unless they are able to secure affordable housing assistance, rural borrowers are often saddled with loans that, in the end, are less affordable and on terms and conditions that threaten their overall financial situation. In the face of this crisis, the Administration's budget for FY'09 decimates existing direct lending programs for rural housing and proposes to increase fees for guaranteed loans.

The Bush Administration's budget for fiscal year 2009 proposes severe and devastating cuts to eliminate important Rural Housing Service (RHS) programs. The loss of the RHS programs will affect single family loans, which serve borrowers with very low incomes, and will slash or eliminate funding for a number of Rural Housing Service programs that provide affordable rental housing for low income rural families.

The budget cuts spending for rural housing loans and grants by some 81% and eliminates over \$1.4 billion in rural housing lending assistance targeted to low income families. If the Administration's budget is approved, it will be the first time in 41 years that the Agriculture Department has not offered direct lending assistance to help low-income rural families improve their housing conditions.

The budget irresponsibly eliminates funding for the Section 515 rural rental housing program, which provided \$70 million in low interest loans in Fiscal Year 2008 for the construction, rehabilitation, and preservation of affordable federally subsidized rental housing units.

Congress also provided \$28 million in funding last year for a demonstration program to facilitate the preservation of federally subsidized affordable rental housing units. The Administration's budget does not provide a penny this year for this purpose, and instead rescinds \$20 million in unused funding from previous years. These are funds that could be used to restructure affordable Rural Housing Service units, in order to avoid having these units converted to less affordable, market rent housing.

The Administration's 2009 HUD budget also proposes significant cuts to public housing, the Community Development Block Grants, the Section 202 elderly hous-

ing program, the Section 811 disabled housing program, Rural Housing Grants, the Rural Community Development Initiatives and more.

The President's budget eliminates funding for farm labor housing in Section 514 Farm Labor Housing Loans and in Section 516 Farm Labor Housing Grants by two thirds. As you know, there is a tremendous need for assistance for farmworker housing. Migrant and seasonal farm workers are some of the nation's most poorly housed populations. Farmworkers and their families are some of the poorest, yet least assisted, people in the nation. Approximately 61% percent of farmworkers earn incomes below the poverty level. 60% of their households are the ones who are also more susceptible to live below the poverty threshold, which is six times the national rate. However, less than 20% of farmworker households receive public assistance in any form.

At a time when we need additional funding for all sorts of important housing programs, this Administration wants to reduce the overall funding and eliminate important entities such as the Rural Housing and Economic Development program; the Housing Assistance Council, the La Raza Fund, and more. This is completely unacceptable and shows either the ignorance of or the disdain by the current Administration on the poor living conditions of people across this great land, especially those residing in Rural America—the heartland of our country. I invite all of you to come to my district at some point in time; to visit the colonias and other poor areas of my district; to see areas of our country with housing conditions that we normally associate with what we call the “third world.” I think it would be difficult to return from those areas, review the President's budget and claim that its cuts address the housing needs of rural America and the rest of the country.

Finally, I want to address two programs that are of critical importance to my Congressional district and that of my border colleagues.

The International Boundary and Water Commission is responsible for maintaining hundreds of miles of levees along the U.S. Mexico border. Unfortunately, because they are based at the State Department, they have not benefitted from the recent awareness of the need to improve levees throughout this nation that has resulted in increased funding for the Corps of Engineers. Historically, they have received approximately 2 million a year for levee maintenance. As a result, a recent assessment by the Corps of Engineers has found that the majority of the levees in the system are substandard and cannot be certified. Millions of Americans along the U.S./Mexico border and billions of dollars worth of property are at serious risk. In my largest county alone, it is estimated that \$4 billion of economic development will be lost because of the need to buy flood insurance that would have been unnecessary had the levees been repaired. \$125 million would make all of the necessary repairs throughout the system. I encourage this committee to provide the IBWC with the funding it needs to repair these levees as quickly as possible.

The U.S./Mexico program under the Environmental Protection Agency's State and Tribal Assistance Program was created by the NAFTA to develop adequate water and wastewater systems to alleviate the exploding migration to the border region as a result of the treaty. Historically, the program has received \$50 million annually to help small communities, many with no wastewater systems at all, provide this basic service. Unfortunately, the President's budget the past two years has reduced this funding to \$10 million. This substantial decrease has meant that many eligible community projects must again be put on hold. As the average cycle for completion of a project is 5 years, this means that many communities will be forced to live for at least 5 more years without clean water or decent sanitation. This is totally unacceptable in America. I urge you to restore the \$50 million that this program has historically received so that the backlog of projects can be cleared.

Thank you for allowing me to testify here today. I encourage you to maintain and increase funding for programs that are essential to the education, health and economic development of our country.

[Statement submitted by Mr. Hodes follows:]

PREPARED STATEMENT OF HON. PAUL W. HODES, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF NEW HAMPSHIRE

Mr. Chairman and members of the Budget Committee, thank you for the opportunity to speak today about the fiscal year 2009 budget. As you consider this year's budget resolution, I want to stress the need for increased funding for two programs critical to my home state of New Hampshire: the Low Income Home Energy Assistance Program, or LIHEAP, and the Weatherization Assistance Program.

Mr. Chairman, the skyrocketing costs of energy is one of the biggest challenges facing working families in my district. The price of home heating oil has nearly tripled since 2001. The average cost of heating a home has risen from \$627 in the win-

ter of 2001-2002 to \$1,841 per household in 2007-2008. Last October, the U.S. Energy Information Administration's projected record heating oil and propane prices for the winter 2007-2008. According to the report, just in the last year, the cost to heat a home with home heating oil increased by \$375, propane by \$273 and natural gas by \$87. According to the EIA, households will spend an average of 10-22 percent more on this basic need heating bills this winter than they spent during the 2006-2007 winter.

LIHEAP and the Weatherization Assistance Program have historically been able to provide assistance to eligible families for this most basic need of heat for their homes. LIHEAP and Weatherization Assistance helps American families save money so they can take care of other basic needs, such as groceries and prescription drugs.

In New Hampshire, where winter can last for months longer than other parts of the country, family budgets have been particularly strained by these steady increases. In our state, LIHEAP provides critical assistance to over 30,000 families each year. However, only about sixteen percent of eligible families receive LIHEAP funding nationally. The President has asked for only \$2 billion for LIHEAP in his FY09 request, less than half of what Congress has authorized this year for this critical program. This cut would be devastating for New Hampshire families who are struggling to pay their heating bills during the cold winter months.

The Weatherization Assistance Program represents another effective strategy for helping families save money—by assisting them in making their homes more energy efficient. This one-time assistance creates long-term savings of an average of \$327 each year in New Hampshire. New Hampshire's weatherization program has served over 7300 homes since 1997, but still has a waiting list of over 16,000 homes due to lack of funding. Despite the effectiveness of Weatherization programs, the President's FY09 budget request does not include any funding for the Weatherization Assistance Program. Funding this program in FY09 will help bring long-term energy relief to Granite Staters.

Mr. Chairman and members of the Committee, I believe the Congressional budget is a reflection of our priorities as a nation's priorities. Slashing funding for programs that help working families deal with rising energy costs, as the President has proposed, is not in line with our nation's values. As the committee considers the fiscal year 2009 budget, I hope you will support LIHEAP and Weatherization Assistance. Thank you.

[Statement submitted by Members of the House's Illinois delegation follows:]

TESTIMONY OF MEMBERS OF THE ILLINOIS CONGRESSIONAL DELEGATION

*U.S. Representative Judy Biggert; U.S. Representative Peter J. Roskam; U.S. Representative Jerry F. Costello; U.S. Representative Bobby L. Rush; U.S. Representative Jerry Weller; U.S. Representative Daniel Lipinski; U.S. Representative Melissa Bean; U.S. Representative Ray LaHood; U.S. Representative Rahm Emanuel*

REGARDING THE BUDGET RESOLUTION FOR FISCAL YEAR 2009, FUNCTION 250—GENERAL SCIENCE, SPACE, AND TECHNOLOGY, AND ARGONNE NATIONAL LABORATORY AND FERMI NATIONAL ACCELERATOR LABORATORY

Mr. Chairman, we want to thank you for this opportunity to share our views on and priorities for Function 250—General Science, Space and Technology—in the fiscal year (FY) 2009 federal budget. Function 250 includes the budget for the Department of Energy's (DOE) Office of Science, which is the principal source of funding for Argonne National Laboratory, and the sole source of funding for Fermi National Accelerator Laboratory.

Both national laboratories are located in Illinois, are critical to American competitiveness, and were adversely impacted by severe underfunding of the DOE Office of Science in the FY2008 omnibus appropriations bill. Overall, the \$4.0 billion budget for the DOE Office of Science—excluding \$125 million in earmarked funds in the fiscal year 2008 omnibus—increased at a rate less than inflation. Funding for a number of programs, facilities, and projects, including High Energy Physics, Basic Energy Science user facilities, and the U.S. contribution to the international fusion experiment ITER, declined significantly or were cut altogether.

As a result of these cuts, Fermilab has been forced to furlough all employees, and may be forced to lay off a total of 200 scientists, engineers, and their support staff if Congress and the Department of Energy fail to provide additional funds for the High Energy Physics program in FY2008. In addition to shutting down two years early a user facility slated for closure and laying off around 30 people as a result, Argonne has been forced to reduce by 20 to 25 percent the operation of its Advanced

Photon Source—the most powerful X-ray research facility in the Western Hemisphere—impacting hundreds of America’s academic, government, and industry scientists who depend on this unique tool.

President Bush’s FY2009 budget proposal includes \$4.7 billion for the DOE Office of Science and the physical sciences research it supports. While the President’s budget proposal is not intended to address the problems that resulted from the FY2008 omnibus bill, it would more than restore funding for the critical research and facilities at Argonne and Fermilab and throughout the DOE complex. That’s why we strongly urge the Budget Committee to provide the necessary resources in Function 250 to enable Congress to appropriate at least \$4.7 billion for the DOE Office of Science.

Budgeting \$4.7 billion for the DOE Office of Science is consistent with the priorities of the Democrats’ Innovation Agenda and the President’s American Competitiveness Initiative, both of which propose to double federal funding for basic research in the physical sciences over the next five to ten years. Because the DOE Office of Science supports over 40 percent of total federal funding for basic physical sciences research—more than any other federal agency—increasing its funding is critical if we are to achieve our shared, bipartisan goal.

But more than a bipartisan priority, increasing funding for the DOE Office of Science must be a national priority. We face a world in which our economic competitors in Asia and Europe are making significant new investments in their own research capabilities. These investments are beginning to pay off, as Asian and European countries challenge U.S. leadership in the sciences no matter how it is measured—by number of patents won, articles submitted to scientific journals, degrees awarded, Nobel prizes won, or the percentage of Gross Domestic Product (GDP) dedicated to research and development.

Report after report—from the National Academy of Sciences and the President’s Council of Advisors on Science and Technology to the Task Force on American Innovation and the Council on Competitiveness—calls on Congress and the President to invest in U.S. research capabilities. The benefits of such an investment to the U.S. economy and U.S. competitiveness are well known. Economic experts have concluded that science-driven technology has accounted for more than 50 percent of the growth of the U.S. economy during the last half-century.

Even as we face greater international competition, these are exciting times for science in the United States. The Office of Science has developed a balanced investment strategy to ensure the U.S. retains its dominance in such key scientific fields as biotechnology, nanotechnology, material and chemical sciences, and supercomputing well into the next century. Leadership in these areas will benefit our health, our environment, our energy security, our economy, and our national security.

U.S. scientists are as bright as any in the world, but they traditionally have had better tools than everyone else. The DOE Office of Science has led the way in creating a unique system of large-scale, specialized user facilities for scientific discovery. Under the President’s budget, 21,500 researchers would have access to these DOE facilities. Nearly half of those users will be university faculty and students, a significant number will be from U.S. industry, and many will be from other federal agencies. This collection of cutting-edge—often one-of-a-kind—tools makes the DOE Office of Science a unique and critical component of the federal science portfolio. Other federal science agencies, such as the National Institutes of Health (NIH) and the National Science Foundation (NSF), greatly depend upon these DOE Office of Science facilities in carrying out their own research activities.

Because of the importance of the DOE Office of Science to the nation’s research efforts and its long-term competitiveness, not to mention laboratories like Argonne and Fermilab, we urge the committee to provide the necessary resources in Function 250 to enable Congress to appropriate at least \$4.7 billion for the DOE Office of Science. With this funding, the DOE Office of Science will attract the best minds, educate the next generation of scientists and engineers, support the construction and operation of modern facilities, and conduct even more of the quality scientific research that will ensure the U.S. retains its competitive edge for many years to come.

[Letter and statement submitted by Ms. Solis follows:]

*February 28, 2008.*

Hon. JOHN M. SPRATT, *Chairman*; Hon. Paul D. Ryan, *Ranking Member*,  
*House Budget Committee, Cannon House Office Building, Washington, DC.*

CHAIRMAN SPRATT AND RANKING MEMBER RYAN: Thank you for allowing me to share with you my budget priorities for Fiscal Year 2009. While I am unable to testify in person, I respectfully request that my views, which are attached for your consideration, are included in the official Committee record.

I recognize our difficult budget situation. The nation is facing an economic downturn and a housing crisis, complicated by the cost of the war in Iraq and tax cuts for the nation's wealthiest which have strained our resources. However, I believe that we cannot condone disinvestment in public health care, the environment, education and our nation's workforce. We must prioritize investments in these areas if we are to guarantee a healthy, productive future for our children and families.

I look forward to working with you to craft a budget which places priority on our nation's future.

Sincerely,

HILDA L. SOLIS,  
*Member of Congress.*

#### HEALTH CARE

Ensuring access to quality, affordable health care is one of the most important challenges we face as a nation. As the Chair of the Congressional Hispanic Caucus Task Force on Health and the Environment, and a member of the Energy and Commerce Subcommittee on Health, I am deeply concerned about the impact of the President's proposed budget on communities of color.

More than 47 million Americans are uninsured, including more than one out three residents in the communities I represent in East Los Angeles and the San Gabriel Valley in Southern California. More than 15.3 million Latinos nationwide remain uninsured. Our nation's health care expenditures continue to skyrocket, and the Administration continues to promulgate policies that leave vulnerable populations in poor health status.

The President's budget cuts more than \$200 billion from Medicare and Medicaid. Nearly 40 percent of Latino children are covered by Medicaid, yet the Administration proposes drastic cuts to our safety-net hospitals and providers that will impose additional difficulties for Latino seniors and low-income Latinos who already experience numerous barriers to health care. The proposed budget also fails to responsibly address the issue of insuring children. Inadequate funding levels and unreasonable policies mean that current SCHIP beneficiaries will lose their health care and the un-enrolled but eligible children will continue to lack coverage.

The budget also fails to take into account the number of eligible but un-enrolled children in SCHIP. Seven in ten uninsured children are eligible for public programs such as Medi-Cal, Healthy Families, or Healthy Kids, but obstacles such as language and cultural barriers may delay or block enrollment. Federal support is needed to enroll uninsured eligible children, with an emphasis on linguistic and cultural competence. I urge my colleagues to consider the valuable role community health workers and patient navigators are playing across our country. Community health workers and patient navigators improve health status and can reduce the number of uninsured children.

Communities of color bear the brunt of the impact of the lack of health care, struggling disproportionately from diseases such as diabetes, obesity, and HIV/AIDS. Yet this budget fails to place a priority on culturally and linguistically competent care. The President's budget reduces funding for the Office of Minority Health, cuts prevention and health promotion programs at the Centers for Disease Control and Prevention, inadequately funds the Ryan White CARE Act, and eliminates health professions training programs. These training programs are needed tools to ensure that our workforce reflects the diversity of our nation. Without minority health professions training, communities struggling with cultural and linguistic barriers will continue to lack service providers. By supporting health professions training programs, we are ensuring that future generations will receive appropriate health care and that health disparities will be reduced.

Given the disproportionate impact of diseases on Latinos, I am concerned about level funding for the National Institutes of Health, cuts to nutrition programs, and our safety-net providers. Proper nutrition is essential to an individual's health, yet the President's budget reduces assistance for working families, caps funding for the Women, Infants, and Children (WIC) Program, and eliminates the Commodity Supplemental Food Program, which serves low-income populations. Perhaps some of the most important resources our communities have are our Community Health Centers. Latinos make up 36 percent of the patients who receive care at Community Health Centers, and we must provide adequate resources to support existing clinics and to build new clinics.

I urge you to act in the best interest of communities of color around the country and reject the President's misguided budget. I look forward to working together to improve the health of our communities and achieve health equity.

## SOCIAL SECURITY

The President continues down the wrong path in proposing the creation of Social Security private accounts and cuts to traditional Social Security benefits. It is appalling that there are almost 750,000 pending disability hearings and that the average wait time for a hearing is 17 months. We must protect Social Security for future generations and treat seniors and individuals with disabilities with dignity and respect. We can do this through rejecting privatization and addressing the backlog of pending disabilities hearings.

## HOUSING AND COMMUNITY DEVELOPMENT

Approximately two million foreclosures are predicted over the next two years. For Latinos, the mortgage crisis is far from over. Although Latinos make up 14.8 percent of the total U.S. population, Latinos represent about 21 percent of the subprime default burden. It is estimated that the subprime mortgage crisis will cost Latinos between \$75.8 billion to \$128.9 billion. Yet, the President's budget only includes \$65 million for housing counseling, a mere \$15 million increase from last year's budget request. The budget offers inadequate assistance to families who are at-risk of losing their homes. The budget cuts the Housing Choice Voucher Program, which provides housing assistance to approximately two million low-income families, by \$599 million.

The President's 2009 budget also repeats harmful cuts in the Community Development Block Grant (CDBG) program. It provides just \$2.9 billion for 2009, which is \$731 million less than is needed to maintain purchasing power at the 2008 level. The CDBG program is critical in providing funding for local solutions to challenges such as affordable housing, job creation, and economic development. In California, the cuts in CDBG funding will affect more than 360 communities in the state. Protecting homeowners and investing in community development is critical to restoring economic security for our families and neighborhoods.

## EDUCATION

Education is the key to opportunity for all who live in America. This is particularly true for Latino and other minority and low income students. Approximately 22 percent of children under the age of five in the U.S. are Latinos, yet the President's budget terminates funding for the Even Start and Reading Is Fundamental programs. The President's proposed 2009 funding level for Head Start falls twelve percent below the 2002 inflation-adjusted level. The President also fails to increase the investment in GEAR UP and TRIO programs, which help low-income, first generation students prepare for and succeed in college.

As average tuition and fees at four-year public school in California increased 81 percent in four years, the Administration's cuts in student aid would put college further out of reach for many students in low-income students in California. I am concerned that the President's budget terminates various key need-based student aid programs, such as the Leveraging Educational Assistance Program (LEAP) and the Supplemental Educational Opportunity Grant (SEOG) program.

For many low income working class students, financial barriers are the determining factor in whether or not they will successfully complete college. The President's budget slashes funding for Hispanic Serving Institutions (HSIs) by \$18.8 million. The nation's 270 HSIs enroll half of the two million Latino college students today. Instead of helping allow our students achieve greater college access, this budget does little to close the college gap.

Finally, we must invest in science, technology, engineering and mathematics (STEM) education, including increasing access to these areas for students in communities of color. Strong federal investments in these areas will have long term rewards by increasing competitiveness and ensuring our nation will have scientists and engineers who can continue research and development to ensure long-term economic growth.

## HEALTHY COMMUNITY AND ENVIRONMENT

Our federal budget must also invest in infrastructure which sustains a healthy community. Unfortunately, the President's budget continues to significantly underinvest in Function 300 programs.

Several of these cuts will have very real impacts on our nation's most vulnerable communities. Over the past several years the EPA has proposed cuts of approximately 30 percent to environmental justice programs. The President's FY 2009 budget proposes an even higher cut of 35 percent. The proposed budget cut comes despite two reports by the EPA's Inspector General (2004 and 2006) and the Gov-

ernment Accountability Office (2005) which identified failures in the implementation of environmental justice programs and which concluded that the EPA “cannot determine whether its programs cause disproportionately high and adverse human health or environmental effects on minority and low-income populations.” Each year Congress has recognized the importance of protecting minority and low-income communities, and I hope that, like years past, we can reinstate this funding.

I am also very concerned about the impact leaking underground storage tanks are having on our groundwater supplies. Underground storage tanks that leak petroleum or other hazardous substances can contaminate nearby soil and groundwater, which serves as the source of drinking water for nearly half of all Americans. Individuals coming into contact with this contamination, which can contain known carcinogens, could experience health problems ranging from nausea to kidney or liver damage. Funding for cleanup of these tanks is financed largely by a \$.001 per gallon excise tax on gasoline and other motor fuels. Unlike other funds, the Leaking Underground Storage Tanks Trust Fund has a surplus of \$3.2 billion which should be spent to clean up the 108,766 outstanding cleanups. Unfortunately, the President’s budget request is less than one-third of the annual revenues coming into the LUST Trust Fund, resulting in gasoline taxes paid by consumers not going to cleanup spills and releases which may be contaminating water supplies.

I continue to be concerned that despite the fact that States and Native American tribes are important partners and co-regulators with the EPA in implementation of environmental laws, the State and Tribal Assistance Grants (STAG) account budget, which took 94 percent and 100 percent of the cuts to EPA’s budget in 2005 and 2006, would receive a \$315 million cut in total. If President Bush’s proposed budget for the EPA is enacted, it would be the lowest budget for the EPA since fiscal year 1997.

The impact of such cuts is very real. Proposed cuts could result in state and local agencies being forced to lay off staff or leave vacancies unfilled, shutting down existing monitors or otherwise curtailing monitoring programs. For communities such as the one I represent, these monitoring programs have been critical to protect the health of vulnerable communities, such as the health of the students whose elementary school playground is right next to an open gravel pit. The health of our communities is dependent upon a strong federal commitment to clean air.

We must also not ignore the needs of our low-income communities to afford their heating and cooling bills. According to the Department of Energy, home heating costs for the average family increased by 80 percent since 2001. The President’s budget recommended significant cuts to renewable energy and energy efficiency programs, at the core of which is the proposal to zero fund the weatherization program. This program is an important tool for increasing self sufficiency and reducing energy use for low-income families, three million of which reside in California.

Finally, the budget must reflect the need to plan for the impacts of climate change on our nation’s infrastructure and the health and economic security of low-income communities. I strongly urge my colleagues to include in the budget a strategy to address climate change which includes tools to mitigate the impact it will have on communities of color. I look forward to working with you to achieve that goal.

#### WORKFORCE TRAINING AND GREEN COLLAR JOBS

I strongly oppose the president’s cuts to Workforce Investment Act job training funding. The president’s fiscal year 2009 budget reduces the total funding for job training program by \$1.1 billion from the fiscal year 2008 level—a cut of 28.5 percent. The reduction of funding would be devastating to workers around the country who are facing job losses with the rising unemployment and looming recession. Now is not the time to reduce our commitment to workers who need the federal government’s assistance in job training and finding new employment.

Rather than cut workforce investment, the federal government should demonstrate a strong commitment to those sectors which are growing. A major national investment in renewable energy and energy efficiency could create more than three million jobs over the next ten years. However, according to a 2006 study by the National Renewable Energy Laboratory (NREL), the lack of skilled workers is the largest non-technical barrier to the advancement of renewable energy and energy efficiency technologies. The Green Jobs workforce training program, authorized by Title X of P.L. 110-140, directly responds to the need recognized by NREL. The Green Jobs training program will fill a critical role in our transition to clean energy by ensuring that we have the skilled workers needed to support the production, installation, and maintenance of clean energy technologies and has broad support from renewable energy industry associations, environmental organizations, community groups, and organized labor.

The Green Jobs training program created a sustainable, comprehensive public program to be administered by the Secretary of Labor through funding for the Workforce Investment Act (WIA) to provide quality training for jobs created through renewable energy and energy efficiency initiatives. This program would expand our nation's capacity to identify and track the new jobs and skills associated with the growing clean energy and efficiency industries. Through grants given on a competitive basis, it would fund partnerships between community colleges, labor unions, private industry and organizations to train between 20,000—30,000 new workers each year for high quality jobs. In addition, it authorizes resources for demonstration projects to provide low-income workers a pathway out of poverty into the emerging clean energy economy.

The renewable energy and energy efficiency fields are providing increasing employment opportunities during these otherwise troublesome economic times. This investment in our nation's workforce is one that will provide long term positive benefits. I urge you to provide the fully-authorized level of funding for the Green Jobs training program of \$125 million.

#### IMMIGRATION ENFORCEMENT—CITIZENSHIP BACKLOGS

In July 2007, the Bush Administration raised the naturalization fee application by 66 percent. This fee increase was meant to improve efficiency at USCIS. Yet, recent reports state that USCIS is months behind schedule in returning receipts for checks written to cover fees, an early step in the application process. The Department of Homeland Security (DHS) estimates that it will take 16 to 18 months to process applications filed after June 1, 2007. These delays are hindering the naturalization process for an estimated 1.4 million legal permanent residents who have submitted applications to become U.S. citizens. For many, this unnecessarily delays their realization of the American dream.

Unfortunately, the President's budget neglects to recognize failures at USCIS and instead recommends providing \$3 billion for internal enforcement, including work-site raids conducted by Immigration and Customs Enforcement officials. It is necessary that America's immigration system be efficient and effective, especially for those abiding by the law and eager to participate in civic society. I urge you to provide support and direction in the budget to expeditiously resolve the immigration backlog issue.

#### DTV TRANSITION AND COMMUNITIES OF COLOR

The success of the DTV transition will largely depend on the government's oversight and involvement in outreach to those with limited English proficiency and lack of access to the Internet. According to a recent study by Nielsen, the Latino population is most unprepared for the DTV transition. This study estimates that 17.3 percent of Latino households are completely unprepared for the DTV transition and 26.2 percent of Latino households have one or more analog TV that is not prepared for the DTV transition. These rates are unfortunately the highest among all of the racial and ethnic communities.

While I was pleased that the FCC requested increased funding for fiscal year 2009 over its FY2008 budget for DTV education, I am concerned that this amount is not sufficient for outreach the communities most at risk of losing service. I urge you to consider concerns about outreach to communities with limited English proficiency into account as you develop the fiscal year 2009 budget and direct funding toward the development of outreach plans that will ensure no communities are left behind in the DTV transition.

#### WOMEN'S HEALTH AND DOMESTIC VIOLENCE

The elimination of violence against women must continue to be an important goal of the federal government. Congress passed the strongest Violence Against Women Act (VAWA) reauthorization in the 109th Congress. We must provide increased funding for programs to combat violence against women to back up the commitments made in VAWA.

For women of color and immigrant women, the effects of domestic violence can be exacerbated by spouses who control their immigration status and services that are not linguistically or culturally competent. I worked very hard with my colleagues throughout the long process of drafting VAWA to make sure that the unique needs of communities of color were addressed in the bill.

Two provisions that I authored to help women of color who are victims of violence were included in the final version of VAWA. One of my provisions will provide funding for programs that educate minority and immigrant communities on how to prevent domestic violence and let them know what services are available to victims.



The second provision I authored will help communities establish specialized domestic violence courts in order to expedite the processing of domestic violence cases. Specialized domestic violence courts have been proven to cut the processing time of domestic violence court cases, decrease the backlog of court cases, raise the conviction rate and lower the rate of repeat offenders. My provision will also provide funding for translation and interpretation services in these courts.

Unfortunately, the president's fiscal year 2009 budget cuts funding for VAWA programs by \$120 million, a 30 percent below their fiscal year 2008 enacted levels of \$525.47 million. This drastic cut in funding would be very harmful to the progress achieved by programs funded through VAWA and damaging progress toward reduction of domestic violence.

[Statement submitted by Mr. Stupak follows:]

PREPARED STATEMENT OF HON. BART STUPAK, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF MICHIGAN

Chairman Spratt, Ranking Member Ryan, thank you for allowing Members of the House to provide testimony to the House Budget Committee. I appreciate this opportunity to share with you my thoughts on the President's Fiscal Year 2009 budget request.

#### SOO LOCKS

First, I would like to speak to a critical infrastructure project that the President has left out of his budget the past seven years. The Soo Locks divide two Great Lakes: Superior and Huron. The Locks are made up of four locks that play a vital role in moving freight through the upper Great Lakes. Each year, more than 80 million tons of freight move through the Locks.

A provision was included in the Water Resources Development Act of 2007 that the U.S. Army Corps of Engineers shall build a new lock without further delay in Sault Ste. Marie, Michigan, authorizing \$327 million for the project. This bill became public law after Congress overruled the President's veto on November 9, 2007.

As lake vessels have grown in carrying capacity and size, the existing large lock, the Poe, is the only one which can accommodate their massive frames. Two-thirds of the carrying capacity of the U.S. Great Lakes fleet is now limited to the Poe lock. If the Poe Lock were rendered unusable for any reason, it would disable industry in the Great Lakes, halting the shipment of ore, coal, wheat, and other commodities. The steel industry would be especially hard hit as 70 percent of all raw materials used in the steel industry travel through the Soo Locks. This would create significant economic and homeland security problems.

Despite the economic and homeland security concerns and the obvious Congressional intent to move forward, the President continues to ignore the need to construct a new lock. The Administration's FY 2009 Budget does not contain any funding for this important construction project.

The Corps of Engineers needs at least \$15 million in FY 2009 to begin substantive work on the new lock. Without a significant investment in the Soo Locks by Congress, this important infrastructure project will continue to be delayed.

I am hopeful the Budget Committee and Congress will see the wisdom in funding this important project, even if the President doesn't. Every year we delay building a new lock, the situation becomes more dire, and the cost to build a new lock only increases.

#### DREDGING POLICY

Moving to another Army Corps of Engineers issue, in 2006, the Administration began implementing new budget guidelines for maintenance dredging of commercial harbors. By using a standard based on the tonnage handled, harbors that did not move a large tonnage but are still important to the economic success of rural areas were excluded from the President's budget.

These highly inadequate guidelines are unfairly biased against rural communities and will have a detrimental effect on small-town, rural America, causing job losses, increased hardship for businesses, and endanger shipping infrastructure. In setting this policy, the Corps also disregarded the fact that approximately two-thirds of all shipping in the United States either starts or finishes at small ports.

To address this, I offered an amendment to the Water Resources Development Act of 2007 (WRDA) requiring the Corps to eliminate this tonnage standard. I am pleased my colleagues voted to accept my amendment as well as override the President's veto and invest in our Great Lakes and our nation's waterways.

Unfortunately, the President continues to under fund our nation's harbor maintenance needs. Congress must work to better invest in our harbor infrastructure to protect the businesses that depend on waterborne commerce.

#### CLEAN WATER STATE REVOLVING FUND

I would like to turn to another budget item of interest to rural communities: the Clean Water State Revolving Fund. Across the country, communities are struggling to replace aging waste water infrastructure. This is a significant problem in Northern Michigan, as aging waste water infrastructure threatens the health of our Great Lakes.

The Clean Water State Revolving Fund plays an important role in helping communities afford updates to their aging infrastructure. Unfortunately, President Bush has repeatedly slashed funding for this program in his budgets.

The President's FY 2009 budget includes only \$555 million for the Clean Water State Revolving Fund, a \$145 million cut compared to FY 2008 appropriated by Congress and nearly a \$533 million cut compared to the \$1.08 billion Democrats included in the FY 2007 Continuing Resolution.

In Michigan, the President's cuts would mean \$10.54 million less for important waste water infrastructure projects compared to FY2006. If the President's proposal is enacted, Michigan would receive \$35.2 million less in FY 2009 than the state received in FY 2001. We need to invest in our waste water infrastructure, to ensure the health of the Great Lakes, which is the source of drinking water for 45 million people.

#### PAYMENTS IN LIEU OF TAXES:

Another program important to my Northern Michigan communities that the President repeatedly under funds is the Payment in Lieu of Taxes, or PILT, program. National Forests, as well as other federal lands, lead to a reduced tax base in several Northern Michigan counties. The Payment in Lieu of Taxes (PILT) program is important in helping these local communities afford schools, roads, fire fighting, police, and other vital services.

For the past several years, President Bush has neglected this important program, requesting significantly less than needed. Congress appropriated \$232 million in FY 2008 for this critical program. The President is proposing a 16 percent cut to a program that is already drastically under funded, requesting only \$195 million for FY 2009. This \$37 million cut will significantly limit the ability of local governments in Northern Michigan to provide the basic services residents depend on.

#### TAA

The Trade Adjustment Assistance (TAA) program provides workers negatively impacted by trade with job retraining, job search and relocation allowances, income support and other re-employment services.

Unfortunately, too often communities in my district have run out of TAA funding. I have repeatedly contacted the Department of Labor to assist the State of Michigan in receiving supplemental funds. Despite the shortfalls repeatedly faced by Michigan and other areas, the President continued his practice of flat funding TAA and provides no new increases for Trade Adjustment Assistance. Despite giving a prominent mention in his State of the Union address to TAA, the program's budget remains stagnant at \$249 million for 2009.

When more workers in Michigan and throughout the Nation are adversely affected by this country's trade policy, or lack thereof, the least we can do is provide adequate job training. The President emphasized the importance of TAA in his State of the Union, it is regrettable that his budget does not match his rhetoric.

#### MEP

Similarly, we owe our small businesses who are competing globally a fair shake.

I urge the Committee to adequately fund the Manufacturer Extension Partnership (MEP) program. It is simply unacceptable that the President's budget has targeted MEP for elimination! While Michigan is struggling to maintain jobs, the President proposes reducing MEP funding from \$89.6 million in FY 2008 to \$4 million in FY 2009.

I don't know what Congress needs to do to make the Administration understand the importance of this program. MEP is vital to helping smaller, domestic manufacturers compete with overseas companies. I hope this is an issue the Budget Committee can address in your budget hearings with the Administration, and I respectfully ask you to continue to fund this critical program.

I would now like to turn to health and education priorities that deserve Committee consideration.

#### RURAL HEALTH

Rural hospitals and other health facilities are economic engines for rural communities as they provide hundreds of good paying jobs. Quality health care is also essential to keeping businesses and attracting new businesses to rural America.

The Rural Hospital Flexibility Grants fund quality improvement and emergency medical service projects for nearly 1,300 Critical Access Hospitals across the country. In essence, this program provides technical assistance to the smallest hospitals in the country who provide critical care.

This program helps hospitals improve their business operations, focus on quality improvement and help information privacy. The President's budget—once again—eliminates this vital program. The National Rural Health Association is requesting \$39.2 million, and I am hopeful Congress can see fit this program is adequately funded in 2009.

I wanted to highlight this program in particular, but I also want to express my strong support for adequately funding the other health care access programs within the Department of Health and Human Services for rural services.

#### FOOD SAFETY

Through my work on the Subcommittee on Oversight and Investigations and through three independent reviews, including the FDA's own Science Board, it has become evident that the FDA cannot protect the American people and is in critical need of significant new resources.

According to a January 2008 Government Accountability Office (GAO) report, the FDA does not have enough staff or adequate computer systems to conduct timely inspections of foreign facilities that produce drugs, medical devices and food products. At its current pace, it will take the FDA 13 years to inspect every foreign drug plant exporting to the United States, 27 years to check every foreign medical device plant, and 1,900 years to inspect every foreign food processing facility.

The President's budget request is less than \$2.4 billion, but only \$1.77 billion of this would come from the federal budget. The other \$626 million is a budget gimmick, the President has included user fees raised through industry to inflate his FDA funding to make it look larger. These user fees should not be included in the President's baseline budget. The Alliance for a Stronger FDA advocates that at least \$2.1 billion is needed in FY 2009. This would be \$380 million more than the President's budget.

Congress needs to increase funding beyond the President's budget in order to provide the resources necessary for FDA to fund its programs to start rebuilding its infrastructure. Only then can we assure the safety of foods, cosmetics, drugs, and medical devices.

#### BJ STUPAK OLYMPIC SCHOLARSHIP PROGRAM

The Olympic Scholarship Program was established by Congress in 1992. I have championed it since it was created, and offered an amendment to re-authorize it in 1998. It was subsequently re-named the BJ Stupak Olympic Scholarship Program after my late son.

The B.J. Stupak Olympic Scholarship Program is a federally-funded scholarship program designed to provide financial assistance to college athletes training at any of the four U.S. Olympic training centers: the U.S. Olympic Education Center in Marquette, Michigan; and the Olympic Training Centers at Lake Placid, New York; Colorado Springs, Colorado; and Chula Vista, California, outside of San Diego. The Program is designed to allow athletes to pursue their post-secondary education while also training for the Olympics.

Prior to 1992, too many athletes had to choose between pursuing their education and training for the Olympics. All too often, athletes chose training and then found themselves at the end of their Olympic careers with no post-secondary education and no career path.

This problem was so severe that the U.S. Olympic Alumni Association identified it as a cause of great concern. Our Olympic athletes' plight was in stark contrast with many collegiate athletes, who received college and university scholarships because of their athletic skills.

The Program was re-authorized in 1998 for five years at up to \$5 million per year, under Section 836 of the Higher Education Act of 1998. Due to the success of the program, the growth of the program has outgrown its \$1 million appropriations allo-

cation the last seven years. Without an increase for inflation, the number of athletes receiving scholarships will have to be substantially cut.

#### EDUCATION

Despite the high priority the Administration has placed on education and the significant needs that remain unmet, the President's budget includes no additional appropriations for the Department of Education. Instead, his budget provides \$59.2 billion, the same level of funding that Congress appropriated in 2008. The President also proposes eliminating 47 programs while significantly cutting several other programs. This is unacceptable.

Of the most egregious cuts, funding for Improving Teacher Quality state grants is \$130 million below the level needed to maintain current services, providing only \$2.8 billion for 2009. Michigan alone would lose \$4 million to help ensure our schools have highly qualified teachers in core academic subjects, which is a requirement under the No Child Left Behind Act. Restoring funding for this and other vital education programs is essential for our schools in order for them to meet the goals established by No Child Left Behind.

#### VETERANS

Once again the Administration has presented Congress with a budget that forces our veterans to pay more in the form of premiums and fees for their health care. Rather than increasing funding and improving access to veterans care, the President's budget includes \$5.2 billion in new fees for veterans over the next decade.

Under this proposal, veterans with family incomes above \$50,000 would have to pay yearly enrollment fees of between \$250 and \$750 and prescription drug co-payments would increase from \$8 to \$15. These are increases our veterans should not have to endure.

Congress must provide adequate funding for veterans' health care to ensure that our current veterans and those who will return from Iraq and Afghanistan receive the care they need and deserve. With my district being home to more veterans than any other district in Michigan, I ask that the Committee reject the President's proposed fees and that Congress fulfill its obligation to take care of our Nation's veterans.

#### HOMELAND SECURITY

Our job in Congress is to promote the health and welfare of our citizens. But we have no higher job than to keep our citizens safe. I'm gravely concerned about the 50 percent cut to first responder, transit, and port security funding at the Department of Homeland Security, providing \$2 billion less in first responder grants and state assistance.

Law enforcement officers, fire fighters, and first responders are on the front lines in responding to natural disasters and protecting our nation from terrorism and crime. We need to do our part in supporting them in their efforts. Unfortunately, the President's budget cuts critical programs—\$750 million from the State Homeland Security Grant, \$260 million from the Assistance to Firefighters Grant program, and \$100 million from the Emergency Management Performance Grants. All of these first responder programs are success stories, and all of them are essential to the ability of local first responders to keep our communities and our nation safe.

Congress should reject these cuts, especially in light of the passage of the 9/11 Commission Implementation bill this summer, which implements the remaining recommendations of the 9/11 Commission and re-affirms the importance of first responders in preventing terrorism.

#### LAW ENFORCEMENT

As a former law enforcement officer and Co-chair of the Law Enforcement Caucus, I hear every day from local police and firefighters. This budget is an insult to them!

Grants to help state and local law enforcement fight crime, combat drugs, and keep our communities safe including the Byrne Justice Assistant Grants, Community Oriented Policing Service, Juvenile Justice, Violence Against Women, and State Criminal Alien Assistance Program were reduced by 65 percent. The President's ill advised budget cuts \$1.5 billion from these vital programs. For Michigan alone, this means a \$5.8 million reduction in the Byrne Justice Assistance Grants for 2009.

These programs are vital to keeping our communities safe. Congress needs to ensure that these important local and state grant programs continue to assist our communities and must begin reversing the President's disturbing trend of cutting funding in all law enforcement and first responder areas.

## INTEROPERABILITY TRUST FUND

As part of the Deficit Reduction Act of 2005, Congress mandated that a section of very valuable spectrum, or public airwaves, be auctioned off, a process underway now. This spectrum is worth billions of dollars.

During consideration of the Deficit Reduction Act, I offered an amendment in the Energy and Commerce Committee to create a \$5.8 billion interoperability grant program, it was defeated on a tie vote. My amendment would have made a down payment on what is estimated to be an \$18 billion problem. Ultimately, a one-time \$1 billion grant program was created and it is expected to issue grants to the states this year.

While the President's budget includes \$50 million for the Interoperable Emergency Communications Grant Program, we are still have a long way to go to fill this \$18 billion need.

I have introduced legislation to create a permanent grant program at NTIA and fund that program with a portion of spectrum proceeds. We should solve this problem once and for all. How many more September 11th and Katrinas do we have to endure before our first responders can effectively communicate and do their jobs?

Now, I know we are in a difficult fiscal situation. But, the cost of under funding our first responders dwarfs the cost of this national problem. We must adequately equip our first responders, and do it now.

## FOREST PRODUCTS

In Michigan and other Great Lakes states, the Forest Service is not able to meet their Allowable Sale Quantities (ASQs) because they do not receive enough funding to offer these timber sales. As a result, forest management plans go unfulfilled, and timber producers and mills that depend on access to the federal forests face limited supplies and economic uncertainty.

The President's FY 2009 budget provides the same level of funding for Forest Products that Congress provided in FY 2008. This won't even allow the Forest Service to keep up with inflation!

Michigan has the fifth largest timber industry in the nation, so forestry and timber are vital to the Michigan economy. Michigan's forests support 200,000 jobs and generate \$12 billion each year

As the timber markets in the Great Lakes become more volatile due to mill closures, high stumpage prices, and tight wood supplies, the Administration's meager funding will only make matters worse. Unless Congress increases Forest Products funding, Michigan's timber industry and my state's overall economy will be significantly harmed.

## FEDERAL COURT HOUSES

I would like to move to another security concern. I also ask that the Committee consider increasing funding for courthouse construction activities funded through the Federal Building Fund (FBF).

I have been a strong advocate for investing in courthouse construction because my district's federal courthouse in Marquette, MI, urgently needs to be replaced. The Marquette Courthouse is over 70 years old and lacks adequate security, making it unsafe for Court employees and the public.

In 1997, The Judicial Conference of the United States identified and prioritized 45 courthouse construction projects to be funded by Congress. This plan aimed to clear the courthouse backlog by 2009. However, under funding has repeatedly stalled this effort. The President's budget only funds the construction of one out of dozens of courthouse projects currently needing attention. The FY 2009 budget only provides \$110.3 million for the San Diego Courthouse.

I ask that the Committee fund construction of the Courthouse in Marquette, Michigan. The problem of outdated federal courts has been ignored for too long. Courthouse modernization is essential to the safety of federal judges and court officers, and should be a high priority of this Congress.

Thank you again for this opportunity to provide testimony before your committee today. If you have further questions about my testimony, please do not hesitate to contact me my staff.

[Statement submitted by Mr. Tierney follows:]

PREPARED STATEMENT OF HON. JOHN F. TIERNEY, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF MASSACHUSETTS

Mr. Chairman, thank you for allowing me to share some of the concerns of my constituents regarding the Fiscal Year 2009 (FY09) budget with you and other members of the Committee.

When I visit with the mayors and town administrators in my district, I hear the frustration of those who are struggling with how to appropriately budget for pressing local needs and who are of the mind that the federal government must do more on their behalf. One such mayor, Carolyn A. Kirk of Gloucester, Massachusetts, wrote me recently to express her concerns on this point. In her letter to me, Mayor Kirk wrote:

"I am asking you and your colleagues to support and increase funding for all domestic initiatives that impact the quality of life for each of us. Whether it is education, public safety, homeland security or earmarks which become lifelines for communities like mine, domestic issues need to be the highest priority of the Federal government."

Fortunately, under your and Speaker Pelosi's leadership, I know that the Democratic-led Congress will work to put forward a budget that seeks to make critical investments in our communities and supports such key federal initiatives as the Community Development Block Grant (CDBG) program, the Community Service Block Grant (CSBG) program, the Low Income Home Energy Assistance Program (LIHEAP), the Community Oriented Policing Services (COPS) program, and key Environmental Protection Agency (EPA) water grant programs—all of which were either completely eliminated or drastically slashed in the President's FY09 budget proposal.

Your task will not be an easy one, given the many years of fiscal irresponsibility of the Bush Administration and the GOP Congress that has produced an estimated over \$400 billion deficit. However, I know that, as you work to craft a FY09 budget resolution, you will be mindful of the foregoing concerns expressed by Mayor Kirk and presumably shared by local representatives throughout the nation.

Again, I appreciate your consideration of my testimony as well as the opportunity "Members' Day" provides to communicate the concerns of those I represent.

I look forward to continuing to work with you as the budget process moves forward.

[Statement submitted by Mr. Towns follows:]

PREPARED STATEMENT OF HON. EDOLPHUS TOWNS, A REPRESENTATIVE IN CONGRESS  
FROM THE STATE OF NEW YORK

I am Edolphus Towns, U.S. Representative of the tenth district of New York. I wish to thank Chairman Spratt, Ranking Member Ryan and Members of the House Committee on the Budget, for this opportunity to express my concerns about the Administration's 2009 Fiscal Year (FY) budget proposal. I ask that my statement be made a formal part of the record.

I agree with my Democratic colleagues in the House that the Administration's fiscal year (FY) 2009 budget will hurt Americans struggling to make ends meet by cutting Medicare and Medicaid, the Social Services Block Grant, and the Low Income Home Energy Assistance Program (LIHEAP). This budget will hurt our long-term efforts to prepare Americans for better jobs in a global marketplace, by slashing important education and early literacy programs. The Administration's budget even cuts funds to states and local governments to fight terrorism.

In this regard, I cite New York Governor Eliot Spitzer's concern that: "as New York State remains a unique target, it is critical for the federal government to adequately fund homeland security programs to insure the safety and wellbeing of our residents. There have been some funding increases in key areas such as transit security, but it is alarming that the President's most serious discretionary cuts trim programs that secure our ports, integrate communications systems, allow our urban areas to develop security strategies and train first responders to prepare for potential terrorist incidents." "Statement by Governor Eliot Spitzer Regarding President Bush's Budget Proposal", dated February 4, 2008 ("Gov. Spitzer's Statement").

As a U.S. Representative from New York, I point out that my state's motto is "Excelsior", which means "ever upward." Its land area is 47,214 square miles and the 2005 resident population was estimated at 19,254,630.

The Administration's proposed FY 2009 budget would essentially decimate New York by reducing federal funding for critical programs that assist low-income and working class families. If this proposal were enacted, this would occur in the midst of an economic downturn in which New York predicts a \$384 million decline in tax-

revenues over (or above and beyond) the Governor's budget that was released last month. These revenue projections effectively increase the State budget gap from \$4.4 billion to \$4.8 billion.

I join New York Governor Eliot Spitzer and my Democratic New York congressional colleagues in their concern that the Administration's FY 2009 budget proposal would slash critical federal resources for health care, housing, education, infrastructure and public safety, among other essential needs, while prioritizing permanent tax cuts for the wealthiest Americans.

Specifically, the Administration's list of proposed federal funding cuts to New York includes:

A) \$9,760,000 cut to the Byrne Justice Assistance Grants, which provide funding to New York state and local law enforcement agencies for crime prevention, law enforcement, prosecution, drug treatment, corrections and more;

B) \$31,989,000 cut of Assistance to Firefighter Grants, which helps New York's local fire departments obtain critically needed equipment, protective gear, emergency vehicles, training, and other resources needed to protect the public and emergency personnel from fire and related hazards;

C) \$16,791,000 cut to New York's allocation for Clean Water State Revolving Fund, which helps New York by providing capitalization grants to help finance the construction of municipal wastewater facilities and nonpoint source pollution control projects;

D) \$64,527,000 cut to New York's allocation under the Community Development Block Grant, which provides the State of New York and its communities with flexible funding for economic development and job creation, affordable housing, and help for citizens in need.

According to New York Governor Spitzer: "From 2007 to 2009 there could be an estimated 68,000 foreclosures in New York equaling over \$9 billion in estimated losses to homeowners and neighboring property values. This requires a serious, comprehensive federal response, yet the President's budget does nothing even as it slashes funding for Community Development Block Grants, housing programs for the elderly, and disabled, and rural housing and economic development programs." Gov. Spitzer's Statement;

E) \$11,200,000 cut to New York's allocation under the Dislocated Worker Program, which provides job training, career guidance, placement, and other services for dislocated workers, including those who lost their jobs due to trade;

F) \$4,571,000 cut to New York's allocation under the Manufacturing Extension Partnership, which provides resources and services to U.S. manufacturers to help them create jobs, leverage private-sector investment, and be more competitive;

G) \$10,170,000 cut to New York's allocation for Improving Teacher Quality Grants, which provides New York with flexible funding to help ensure that schools have highly qualified teachers in core academic subjects, which is a requirement of the No Child Left Behind Act;

H) \$59,947,000 cut to New York's funding allocation for career and technical education in high schools and community and technical colleges;

I) \$34,948,000 cut to New York's allocation under the 21st Century Learning After-School Centers program, which provides a safe place for supervised after-school activities for students and services that include academic assistance, career exploration, skills development and internships, and athletic programs;

J) \$2,064,000 cut to New York's allocation under the Child Care Development Block Grant, which reduces child care costs for low-income children while their parents work, and also monitors and improves quality and safety of care for all children;

K) \$39,984,000 cut to New York's allocation for LIHEAP;

L) \$32,062,000 cut to New York's allocation under the Social Services Block Grant, which provides funds for social services such as child care, child welfare, home-based services, employment services, prevention and intervention programs, and special services for the disabled;

M) \$74,934,000 cut to New York's allocation for Public Housing Capital Fund;

N) \$9,902,000 cut to New York's Section 8 Housing Choice Vouchers, relative to 2008 level.

O) \$28,788,000 cut to New York's allocation under the Federal-Aid Highways Program, which provides federal assistance to New York to build, rehabilitate, and improve the National Highway System and other roads and bridges.

According to New York's Governor Spitzer, "Another serious cause for concern for New Yorkers is the President's failure, for the first time, to meet funding levels for highways and transit funding. The President proposes to shore up the Highway Trust Fund with monies from the Transit account, placing both funding sources in a position to be exhausted in the next fiscal year. Recognizing that New Yorkers

use mass transit more often than any other state—5.2 million people a day—this federal action could negatively counteract our proposed record-settings state aid for the Metropolitan Transportation Authority (MTA).” Gov. Spitzer’s Statement;

P) \$2,721,000 cut to New York’s allocation under the Essential Air Service, which preserves passenger air service at New York’s rural airports;

Q) \$200 billion cut nationwide under both Medicaid and Medicare funding.

According to New York Governor Spitzer: “The President’s budget will wreak havoc on the state’s health care system, which serves more than 4 million Medicaid patients. The budget reduces funding by \$200 billion for Medicaid and Medicare, which will have a devastating impact on important programs that serve low income families, children and seniors.” Gov. Spitzer’s Statement.

According to the Center on Budget and Policy Priorities (“CBPP”) on February 5, 2008, the Administration continues to pursue proposed federal rules that would cut billions from the Medicaid program. These rules would:

Significantly limit federal Medicaid matching funds for case management services; eliminate federal funds for outreach, enrollment assistance, coordination of health care services, and related activities by school personnel to enroll more of the eligible poor children in Medicaid; Significantly limit the types of rehabilitative services that states can cover with federal funds, including special instruction and therapy for children and other beneficiaries who have mental illness or developmental disabilities; limit payments to hospitals and other institutions operated by state or local governments to the cost of providing services to Medicaid beneficiaries, despite the fact that these hospitals need additional support from Medicaid to help in defraying the costs of providing care to the uninsured, along with the provision of essential services such as trauma care, emergency response, and neonatal intensive care; eliminate federal Medicaid funding for the costs of graduate medical education (GME) provided by teaching hospitals. [New York has the greatest number of teaching hospitals in the country, which produces doctors that serve in New York and many states throughout America. The Administration would also continue to pursue federal regulations that would change the definition of outpatient hospital services to significantly narrow the types of services states can cover under this benefit category, severely restricting reimbursement rates for such services as hospital-based physician services, routine vision services, annual check-ups, and vaccinations.

The President’s FY 2008 request for Health Resources and Services Administration (HRSA)—Children’s Hospital Graduate Medical Education (“CHGME”) payments was \$302 million. The President’s FY 2009 budget request for CHGME is \$0, which eliminates a \$302 million program that trains pediatricians and pediatric specialists at children’s teaching hospitals at a time when pediatric specialties face critical shortages.

In terms of the State Children’s Health Care Insurance Program (“SCHIP”), the Administration’s FY 2009 budget includes a \$19.7 billion increase in funding for SCHIP. CBPP says that this would not, however, allow states to cover the children they currently cover, let alone cover more children. If the Administration’s proposal for \$19.7 billion over the baseline is perfectly targeted to the states most in need of such funds, the Administration’s budget proposal would, according to CBPP, provide about \$1.8 billion less than what is needed to avert SCHIP funding shortfalls. The budget baseline assumes that annual federal SCHIP funding will drop from \$6.6 billion in FY 2008 to \$5.3 billion in 2009 and \$5.0 billion in FY 2010, and then remain frozen at 5.0 billion, and then remain frozen at \$5.0 billion in all years thereafter, without any adjustment for increases in health costs or other factors (such as child population growth or increases in the number of uninsured children as employer-based coverage) continues to erode.

About \$21.5 billion is needed for SCHIP over the next five years simply to avert reductions in the number of children insured through the program, according to CBPP. So, the Administration’s proposed funding levels actually fall somewhat short of what is needed to maintain current SCHIP program operations. While the Administration believes this \$19.7 billion would allow enrolling 1.4 million additional children, this falls far short of the 4 million additional children who would be enrolled under the SCHIP legislation that the President vetoed twice, according to CBPP.

The Administration’s FY 2009 budget will cut \$570 million from national Medicaid family planning services;

R) \$1,022,099,000 New York State total hospital impacts of the Medicare cuts proposed in the Administration’s FY 2009 budget: “These reductions would be severe and target Medicare teaching payments, hospital and health system market basket updates for Federal FYs 2009 through 2013 by \$10 billion dollars, hospital disproportionate share (DSH) payments, and reimbursements for Medicare bad debts. These reductions would cut payments to New York hospitals and hospital-based skilled nursing facilities, home health agencies, hospices, and inpatient rehabilita-



tion providers.” (This statement is attributable to The Healthcare Association of New York State on February 4, 2008);

S) \$83 million reduction for the Centers for Disease Control and Prevention: World Trade Center Treatment and Screening. FY 2008 amount enacted was \$108 million. The Administration’s FY 2009 proposed budget seeks \$25 million, which is a reduction of \$83 million. The terrorist attacks of 9/11 and the subsequent collapse of the World Trade Center Towers produced the largest acute environmental disaster that ever befell New York City and affected people in New York and from all over the world.

Thousands of people were exposed to toxins, pulverized building materials, and other environmental contaminants in the air. Thousands of heroic responders, who rushed in to help as all others were running the other way, have become sick as a result of their work at Ground Zero. Many area residents, workers, and students are sick as well. The number of ailing 9/11 rescue and recovery workers is said to be increasing, workers’ illnesses are becoming more severe, the projected costs of treating these illnesses is surging, and current federal treatment funding levels are likely inadequate, according to unnamed sources. The National Institute for Occupational Safety and Health (NIOSH) developed estimates put the costs for running the current programs at \$218 million dollars for FY 2008, but the funding level proposed for both FY 2008 and FY 2009 was \$25 million. This program has served over 37,000 responders from 2007 through 2007, and was expanded to include residents and others in 2008;

T) HRSA—Poison Control Centers which serves populations on a national basis has been reduced by \$17 million under the Administration’s FY 2009 budget. Realistic funding, likely, would be more in the order of \$30 million, consistent with the House Appropriations Committee action for FY 2008 appropriations.

In addition to the cuts specified above, the Administration’s budget would severely cut the Health Equity Fund, The Ryan White Care Act funding, Title VII, Title VIII, Health Empowerment Zones, Healthy Start, Indian Health Programs, substance abuse and mental health services and universal newborn screening funding. There are also cuts to cancer research and environmental programs that should not be sustained.

In summary, this budget is irresponsible and should be rejected. Instead, I call on my congressional colleagues to advance an alternative budget that takes America in a more productive direction, so that we can make critical investments to strengthen our economy; help Americans struggling to make ends meet in an economic downturn; and restore fiscal responsibility. At minimum, I urge that there be no cuts to Medicare or Medicaid in the House Budget Resolution.

Thank you for allowing me this important opportunity to express my concerns about New York and national impacts from the Administration’s FY 2009 budget proposal.

[Statement submitted by Ms. Velázquez follows:]

PREPARED STATEMENT OF HON. NYDIA M. VELÁZQUEZ, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF NEW YORK

Thank you Mr. Chairman. I appreciate you holding this hearing today. As you consider the budget resolution that will set Congress’ fiscal priorities for fiscal year 2009, I urge you to provide enough discretionary funding to sustain programs administered by the Department of Housing and Urban Development (HUD). Affordable housing programs in HUD as well as other agencies face unprecedented shortfalls in the President’s FY 2009 budget request. HUD’s affordable housing and community development programs help approximately five million low-income families secure and maintain decent, affordable homes. These programs also provide critical local investments to redevelop and revitalize communities, many of which are struggling to respond to the burgeoning mortgage crisis.

The President’s FY 2009 budget request fails to provide adequate funding for critical affordable housing programs. Under the budget request, nominal FY 2008 funding levels would be slashed by \$659 million for Community Development Block Grants, \$415 million for public housing capital needs, \$272 million for supportive housing for the elderly or disabled, and \$500 million for the Housing Choice Voucher program, which would result in the cutting of vouchers for at least 100,000 low-income families. In addition, while the Bush Administration has provided a \$1 billion increase in funding for the project-based Section 8 program to address the severe funding shortfalls that emerged last year, even this increase is \$2.4 billion short of the amount needed to fully renew all Section 8 contracts in FY 2009. Finally, the President’s budget request eliminates or provides no funds to many crit-

ical programs such as Brownfields Redevelopment Grants, Rural Housing Grants, National Community Development Initiative, and Section 108 CDBG loans.

Moreover, while Congress has in recent years been able to rely on the availability of large sums of recaptured and rescinded Section 8 balances to offset new HUD budget authority, such recaptures will no longer be available. This means Congress will have to add nearly \$2 billion in funding in FY 2009 just to maintain programs at the nominal FY 2008 levels. To adequately fund all HUD programs, I would strongly encourage you to provide approximately \$6.5 billion above the President's request.

Clearly, the Bush Administration failed to recognize the nation's pressing housing needs particularly when our housing market is struggling with the burgeoning mortgage crisis. In setting this nation's FY 2009 budget priorities, I strongly urge that you advocate on behalf of our most critical housing programs. Thank you.

[Whereupon, at 2:25 p.m., the Committee was adjourned.]

